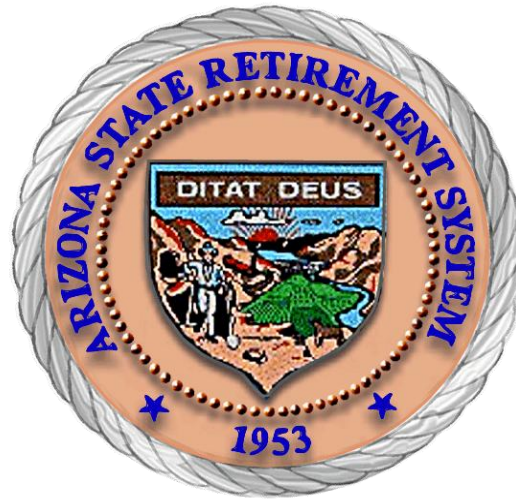


Arizona State Retirement System Board



International Equity Asset Class

Gary R. Dokes, Chief Investment Officer
Dan Kapanak, Manager of Investment Strategies
Terry A. Dennison, Mercer Investment Consulting
April 18, 2008

Presentation Topics

- **International Equity Asset Class (Aggregate)**
 - Asset Class Snapshot
 - Mandates Overview
 - Quantitative:
 - Risk/Return Bubble Charts
 - Performance Analysis (Returns – Based)
 - Alpha
 - Information Ratio
 - Peer Review
 - Positions (Holdings – Based)
 - Style Analysis
 - Economic Sectors
 - Country/ Currency Exposure
 - Mercer Manager(s) Ratings

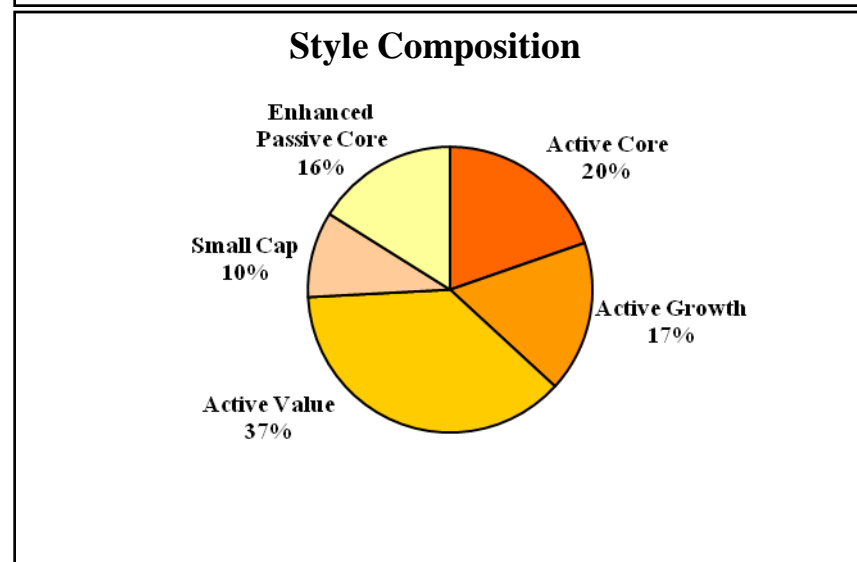
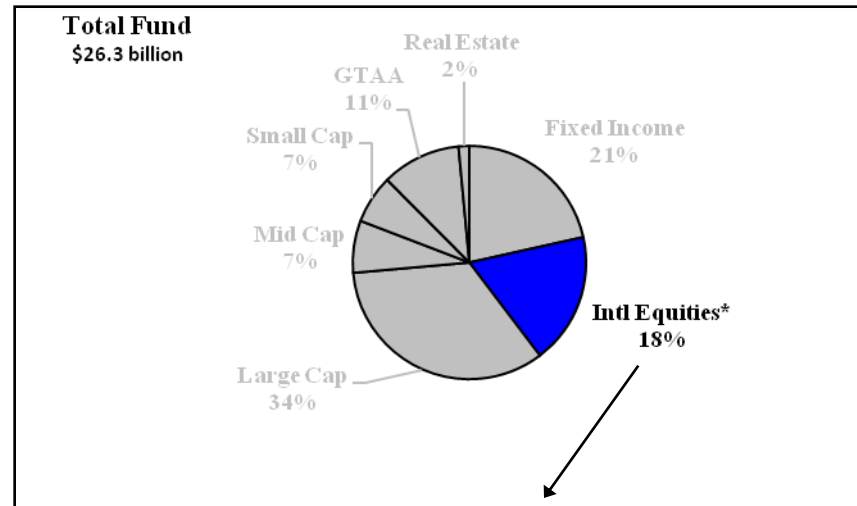
- **International Equity Manager Reviews (Individual)**
 - Qualitative:
 - People, Philosophy, Process
 - Quantitative:
 - Performance Analysis (Returns – Based)
 - Alpha
 - Information Ratio
 - Peer Review
 - Positions (Holdings – Based)
 - Style Analysis
 - Economic Sectors
 - Country/ Currency Exposure
 - Mercer Manager Review

ASRS International Equity Asset Class (Aggregate)

ASRS International Equity Asset Class

December 31, 2007

- Market Value: \$5.0b
- Passive Percent: 16%
 - Target 10% 5%
- Active Style Composition:
 - Core: 23%
 - Growth: 21%
 - Value: 44%
 - Small Cap: 12%
- Portfolios:
 - 1 Enhanced Passive
 - 5 Active:
 - Quantitative: 2
 - Fundamental: 3
- Average Fee: 38bp



* The International Equity asset class excludes GTAA International allocations.

ASRS International Equity Managers

Mandates Overview

December 31, 2007

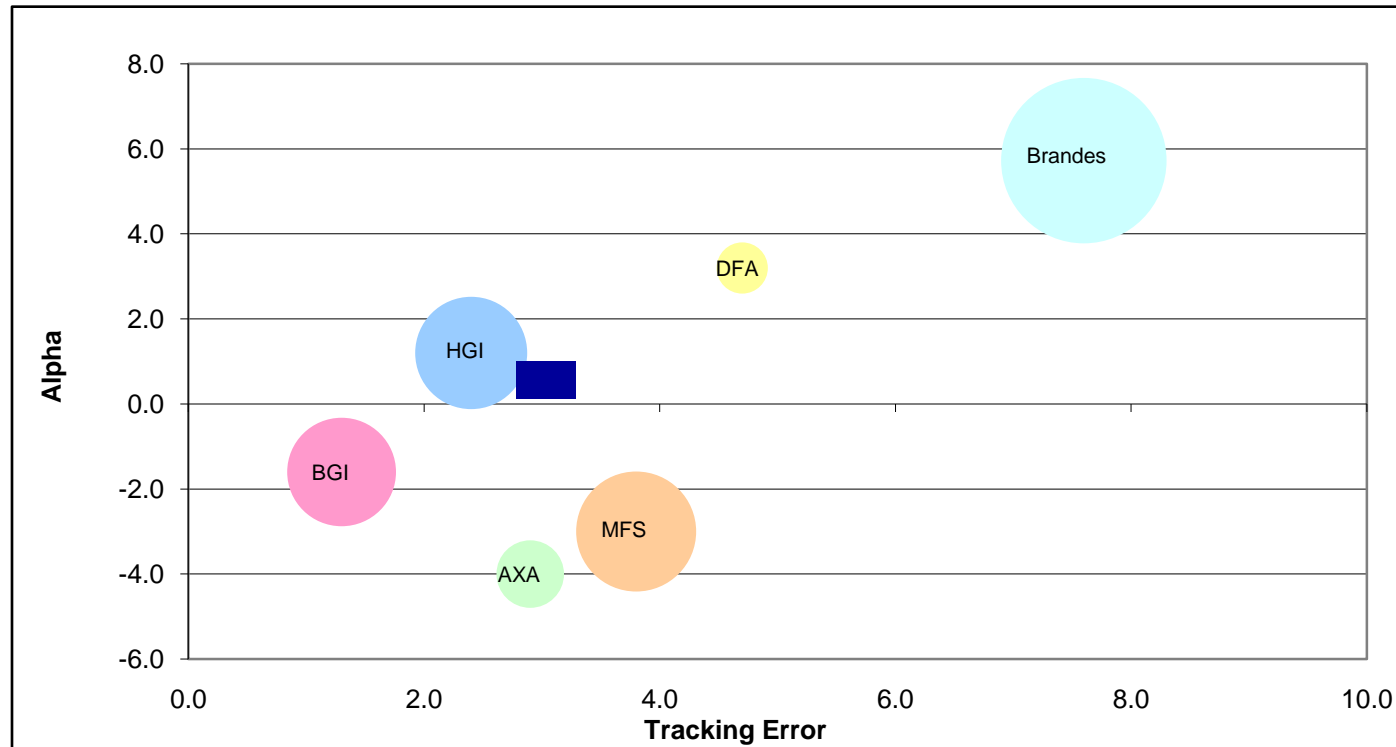
Manager	Style	Benchmark	Inception	Expected Alpha (bp)	Portfolio Assets (\$mil)	Strategy Assets (\$mil) ¹
Large Cap						
Brandes (Active)	Value	MSCI ACWI ex-U.S.	9/30/98	250	\$ 1,863	\$49,902
MFS (Active)	Core/ Growth	MSCI ACWI ex-U.S.	7/31/05	200	\$982	\$17,213
Hansberger (Active)	Growth	MSCI ACWI ex-U.S.	7/31/05	300	\$858	\$ 5,468
BGI (Enh. Passive)	Core	MSCI ACWI ex-U.S.	9/30/05	100	\$803	\$13,680
Small Cap						
AXA Rosenberg (Active)	Small Cap	MSCI EAFE Small Cap	8/31/05	400	\$311	\$6,855
DFA (Active)	Small Cap	MSCI EAFE Small Cap	8/31/05	300	\$177	\$8,482

¹ As of December 31, 2007

Risk/Return Bubble Chart

ASRS International Equity Asset Class

Inception Date* – Period Ending December 31, 2007



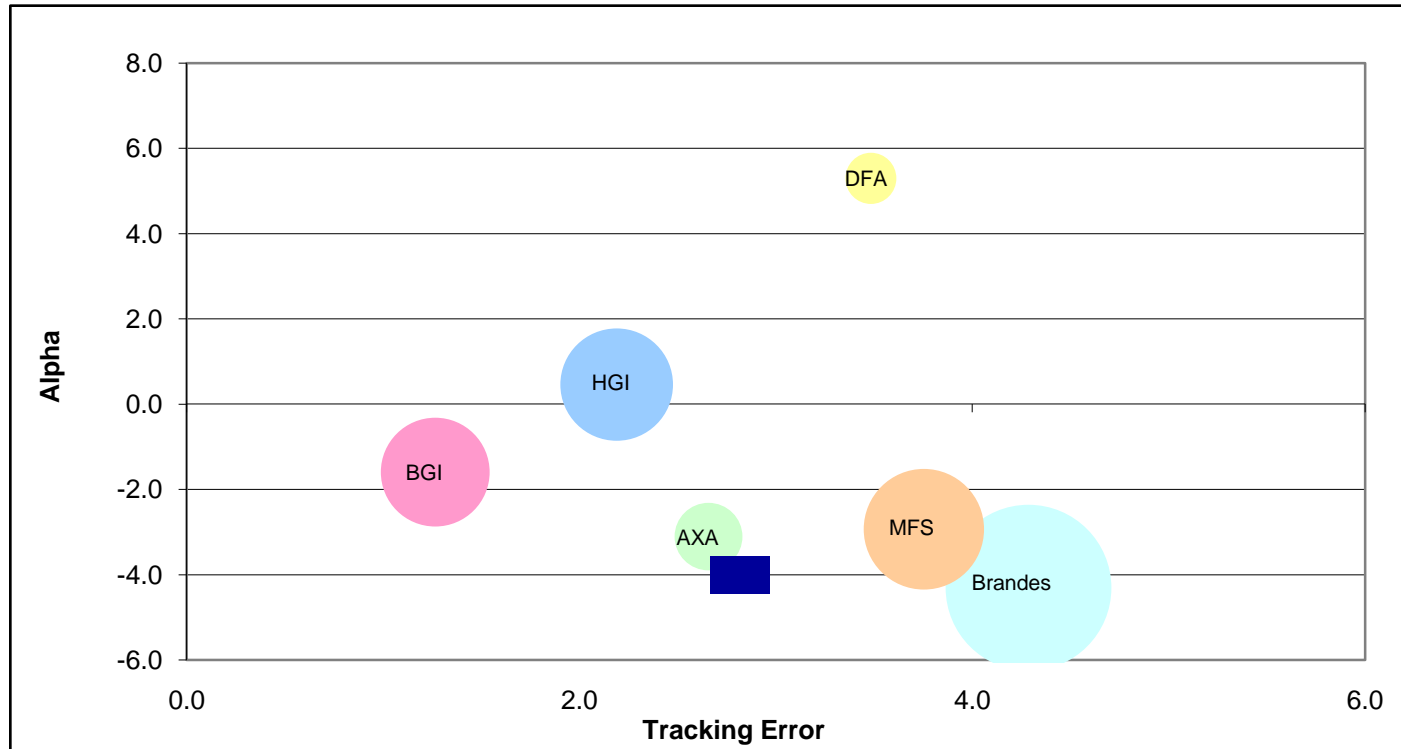
	Manager	Portfolio Size	Inception*	Alpha	Tracking Error	Information Ratio
	Brandes	\$1,862.6	9/30/1998	5.7	7.6	0.8
	MFS	\$981.9	7/31/2005	-3.0	3.8	-0.8
	Hansberger	\$858.1	7/31/2005	1.2	2.4	0.5
	BGI ACWI	\$802.7	9/30/2005	-1.6	1.3	-1.3
	AXA	\$310.7	8/31/2005	-4.0	2.9	-1.4
	DFA	\$176.8	8/31/2005	3.5	4.7	0.8
	Asset Class	\$4,992.8	4/30/1987	0.5	3.2	0.2

*Calculated Quarterly - Asset Class Inception Date 4/30/1987

Risk/Return Bubble Chart

ASRS International Equity Asset Class

2 Year Period Ending December 31, 2007

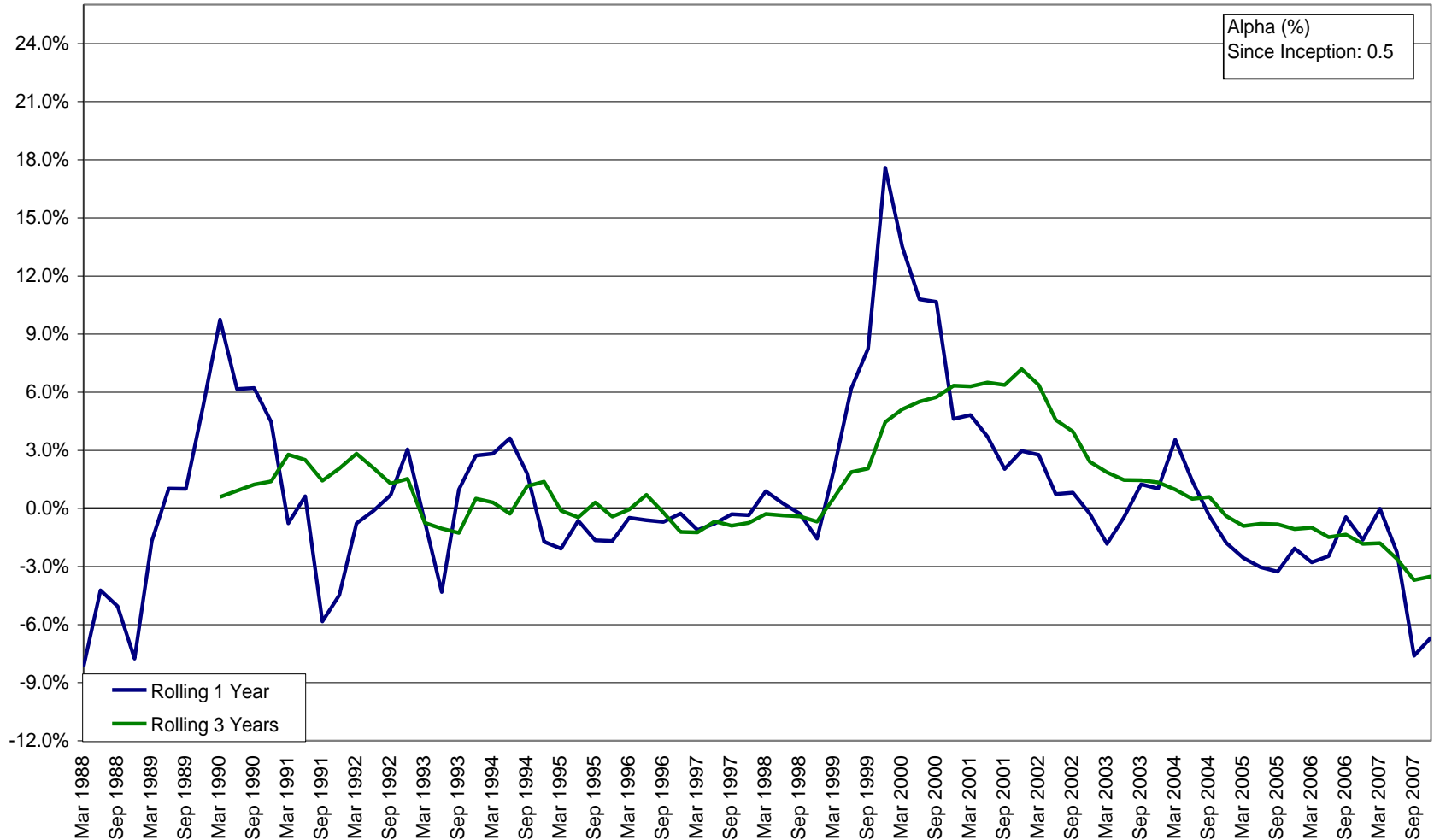


	Manager	Portfolio Size	Alpha	Tracking Error	Information Ratio
	Brandes	\$1,862.6	-4.3	4.3	-1.0
	MFS	\$981.9	-2.9	3.8	-0.8
	Hansberger	\$858.1	0.5	2.2	0.2
	BGI ACWI	\$802.7	-1.6	1.3	-1.3
	AXA	\$310.7	-3.1	2.7	-1.2
	DFA	\$176.8	5.7	3.5	1.6
	Asset Class	\$4,992.8	-4.3	2.7	-1.6

Alpha

ASRS International Equity Asset Class

Inception Date April 1, 1987 – Period Ending December 31, 2007

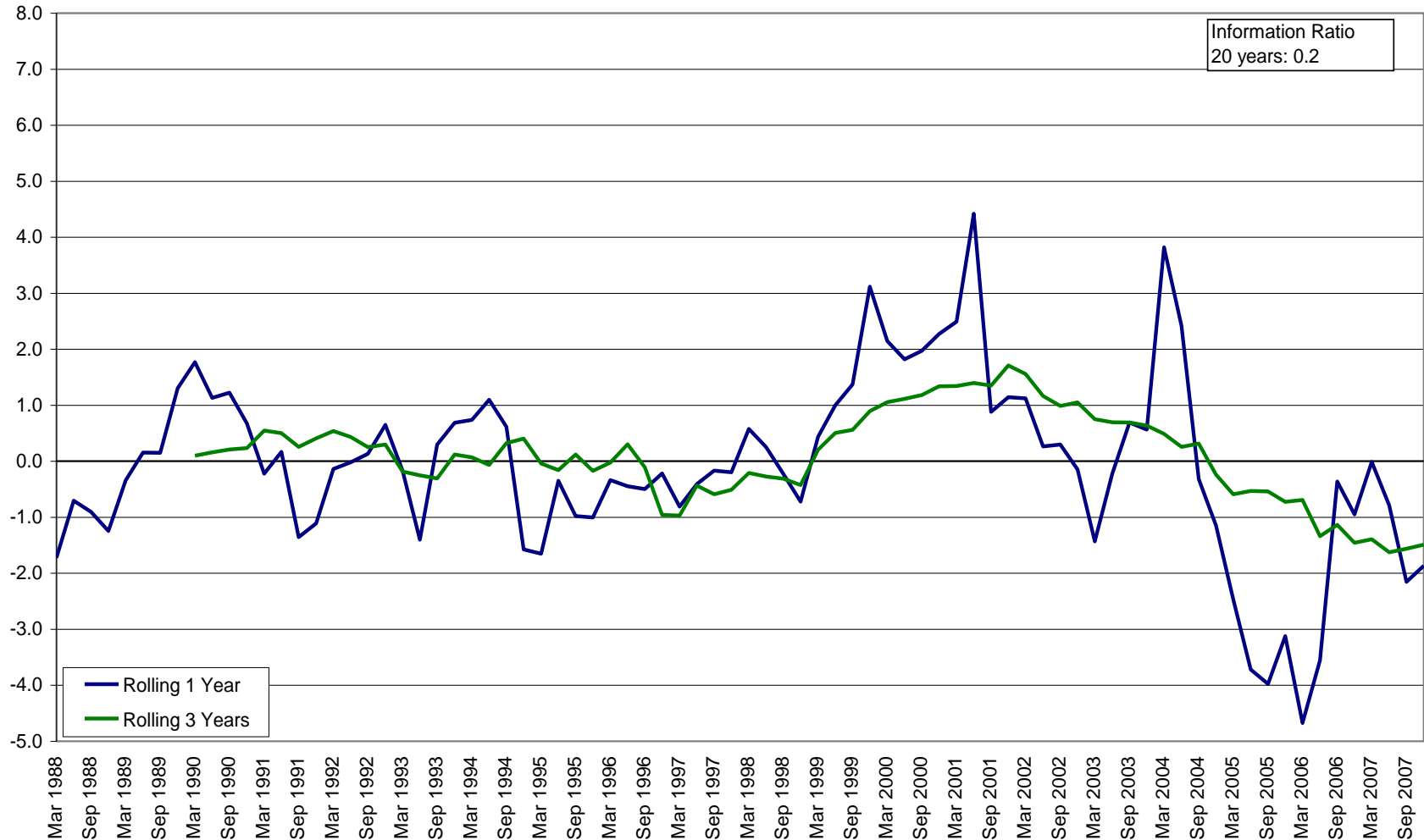


Calculated quarterly

Information Ratio

ASRS International Equity Asset Class

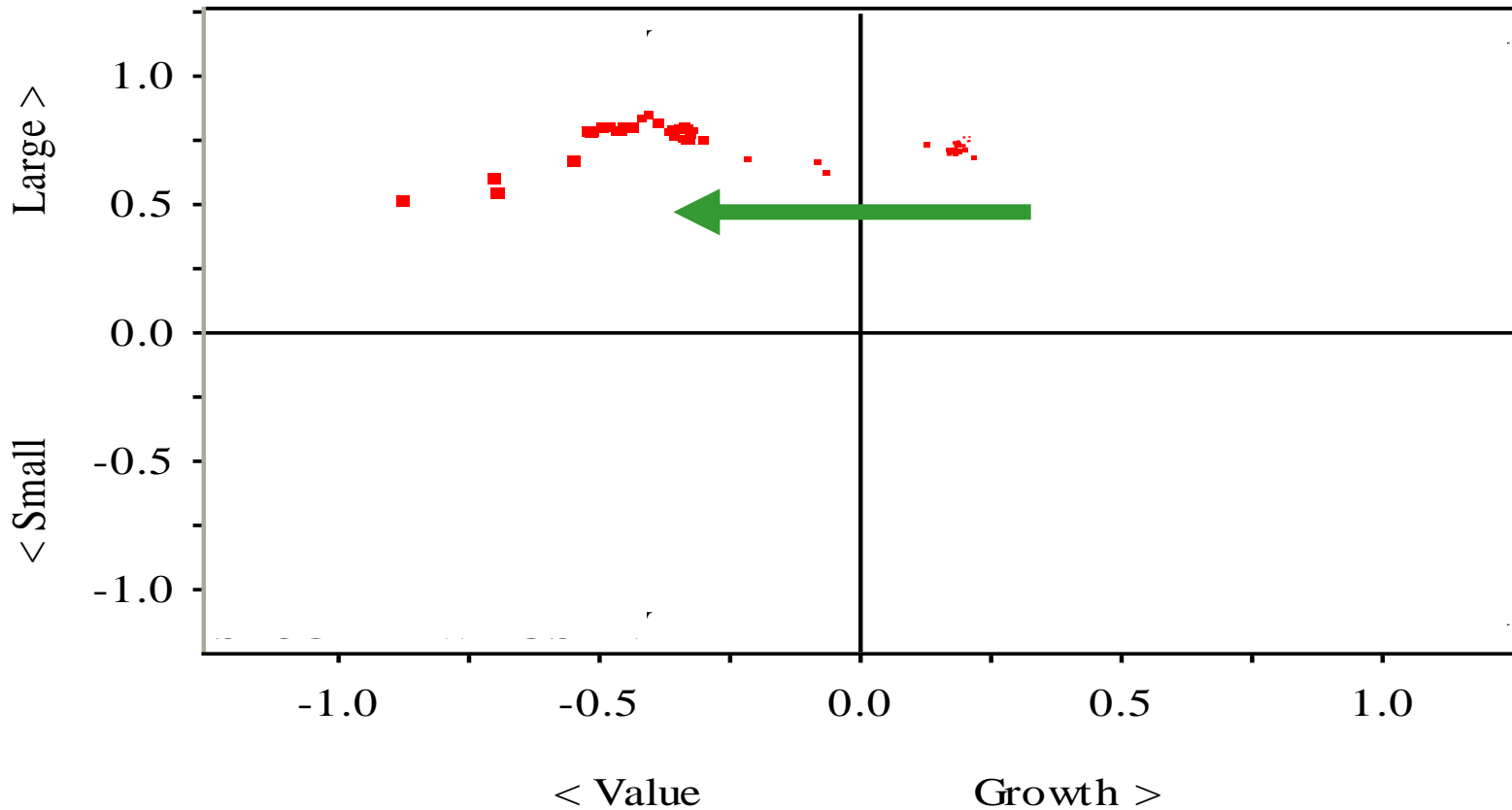
Inception Date April 1, 1987 – Period Ending December 31, 2007



Calculated quarterly

Please note that the information ratio is over a 20 year period

Positions: Style Analysis
ASRS International Equity Asset Class
10-Year Period Ending December 31, 2007

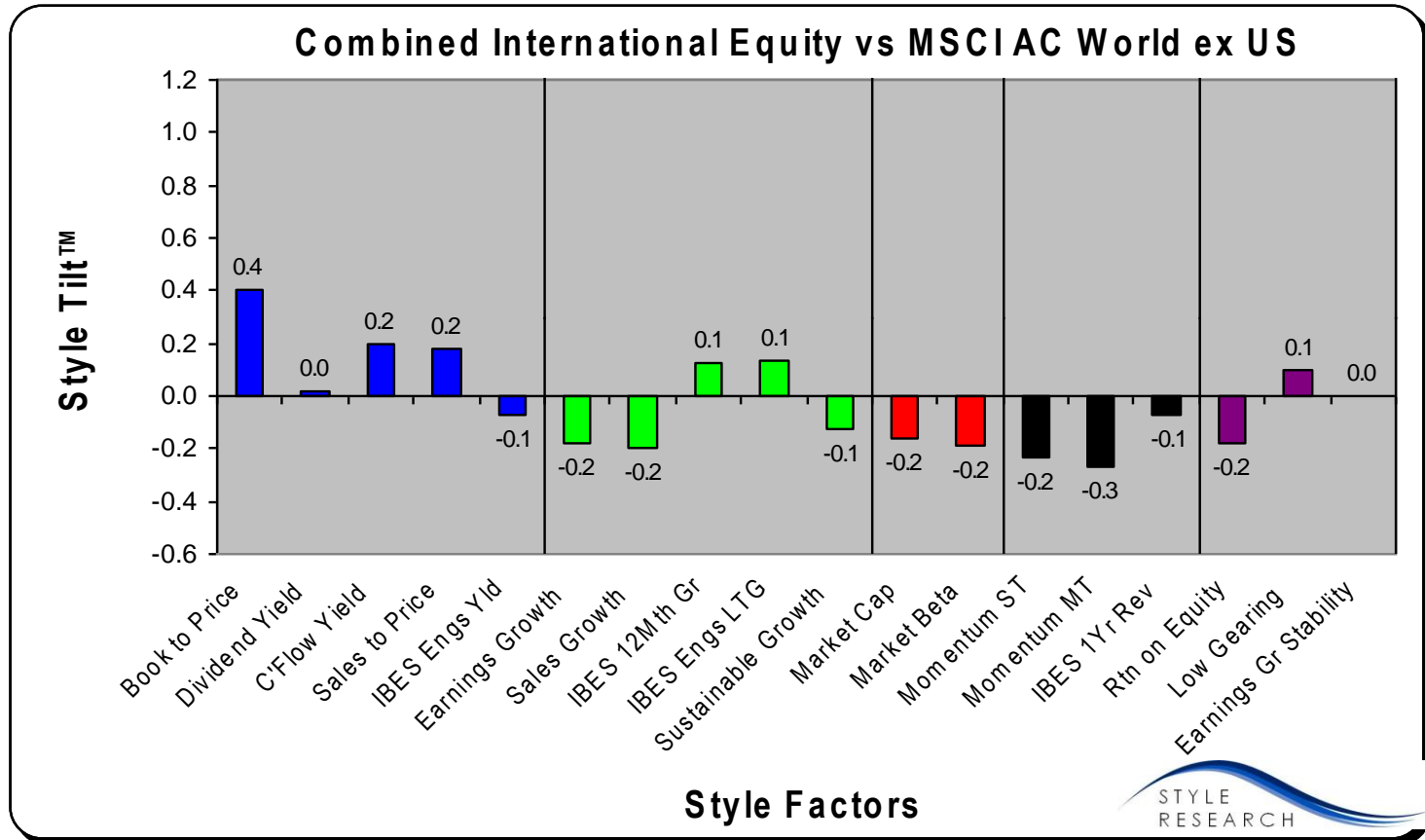


60 Month Rolling Window

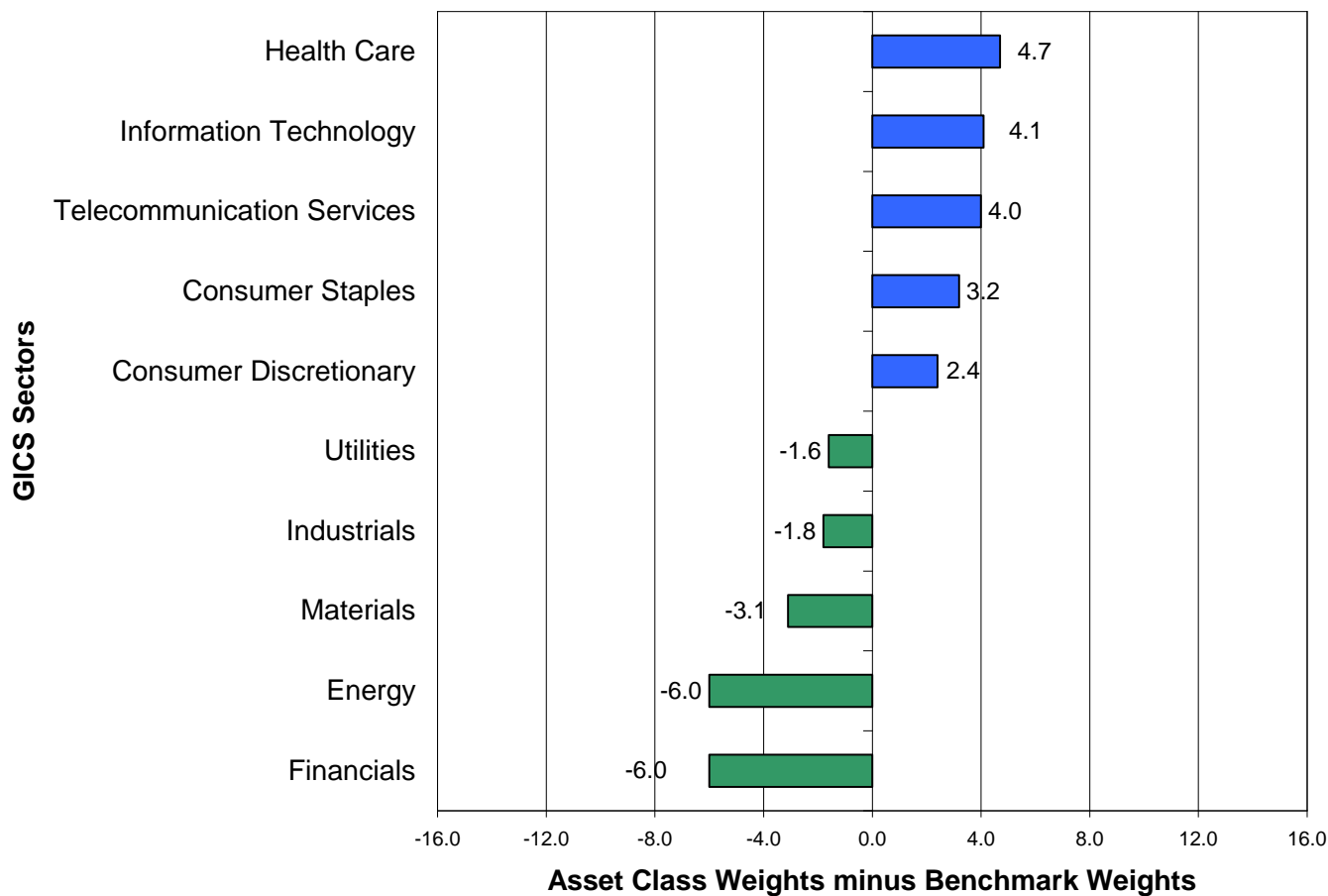
Positions: Style Analysis – Portfolio Style Skyline

ASRS International Equity Asset Class

As of December 31, 2007

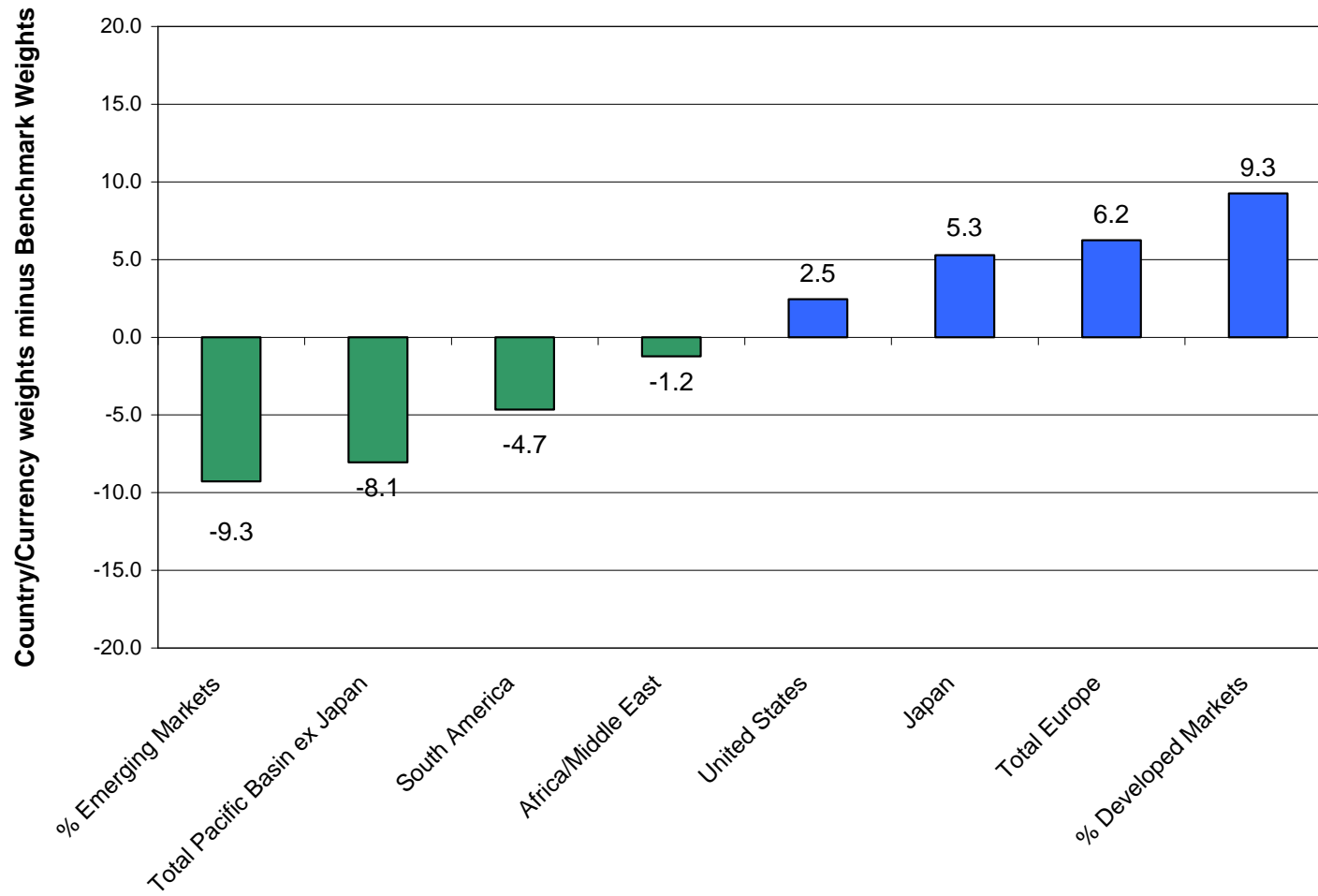


Positions: Economic Sectors **ASRS International Equity Asset Class** **As of December 31, 2007**



Benchmark weights are the weights of MSCI ACWI ex. U.S. Index

Positions: Country/Currency Exposure
ASRS International Equity Asset Class
As of December 31, 2007



ASRS International Equity Managers

Mercer Ratings

December 31, 2007

Mercer ratings signify Mercer’s opinion as to an investment strategy’s prospect for outperforming a suitable benchmark, on a risk-adjusted basis, over a full market cycle.

Manager	Strategy	Mercer Rating	Rating Date
Brandes	Value	A- (T)	11/8/07
MFS	Core/Growth	A	11/8/07
Hansberger	Growth	A	12/7/07
BGI	Core	A	11/8/07
AXA	Small Cap	A	8/7/07
DFA	Small Cap	A-	8/7/07

“A” Rated Strategies are assessed as having above average prospects.

“B” Rated Strategies are assessed as having average prospects.

“C” Rated Strategies are assessed as having below average prospects.

“A-” and “B+” are intermediate categories in between “A” and “B” ratings.

“B-” is an intermediate category in between “B” and “C” ratings.

“N” Rated Strategies are not currently rated by Mercer.

International Equity Manager Reviews (Individual)

Brandes Investment Partners

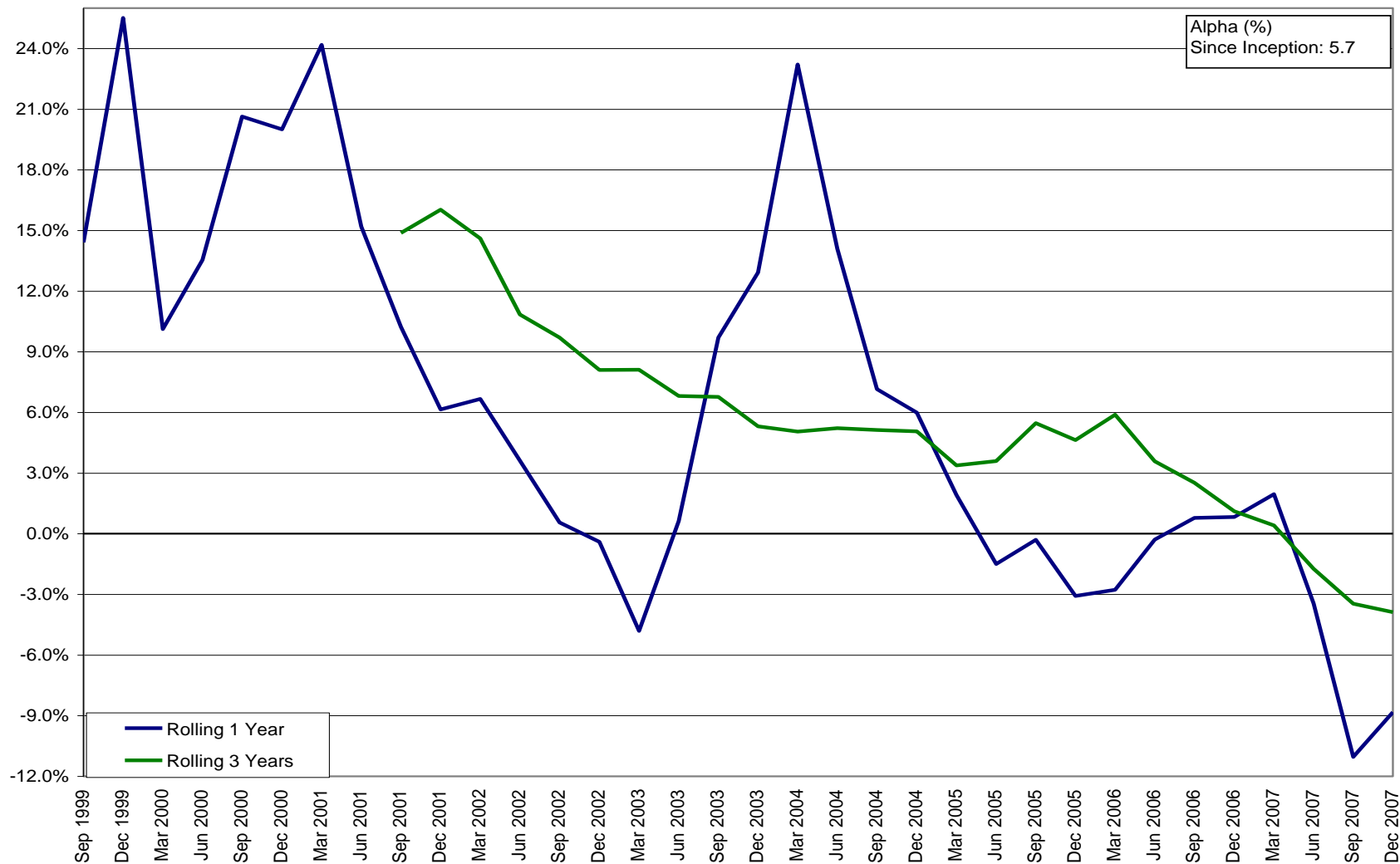
Qualitative Factors

Factors	Description
People	<ul style="list-style-type: none"> • Investment Committee responsible for investment decisions. • Stable team, low turnover among investment professionals.
Philosophy	<ul style="list-style-type: none"> • Believe that buying businesses at a discount to the firm's estimate of their true value should produce positive long-term results. • Bottom-up, Graham & Dodd, value-oriented investment manager.
Process	<ul style="list-style-type: none"> • Initial candidates are identified by analysts through research reports, outside contacts, screens for low valuation ratios, regulatory filings, brokerage research, etc. • Candidates are reviewed with the primary emphasis on financials statement analysis. • Weightings for sectors, regions, etc. result from individual companies trading at significant discounts to the firm's estimate of their intrinsic value, although there are limits to reduce risk and ensure diversification. • Brandes has a more concentrated portfolio, which results in higher tracking error. • Low portfolio turnover given long-term investment horizon.

Alpha

Brandes Investment Partners

Inception Date September 30, 1998 – Period Ending December 31, 2007

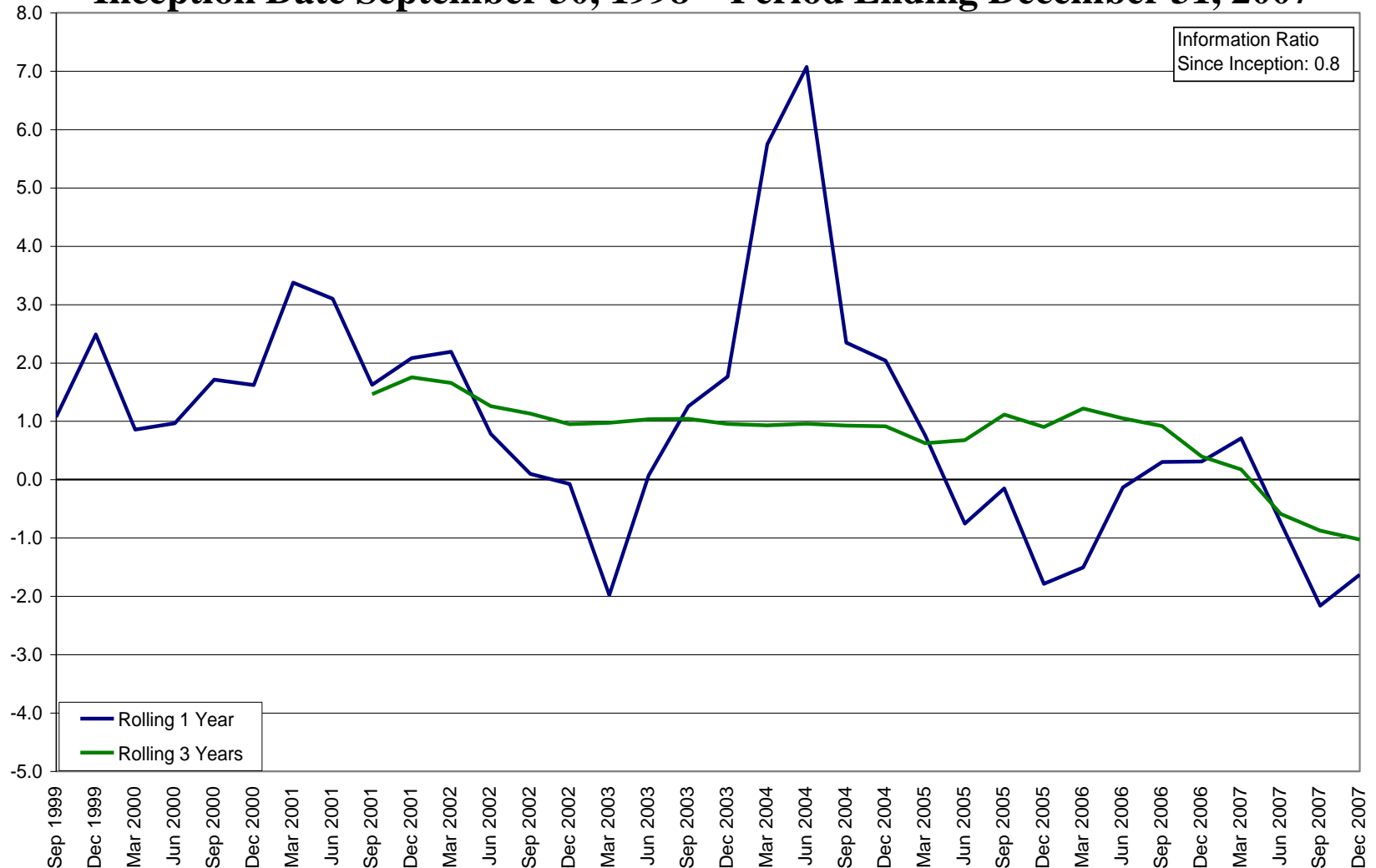


Calculated quarterly

Information Ratio

Brandes Investment Partners

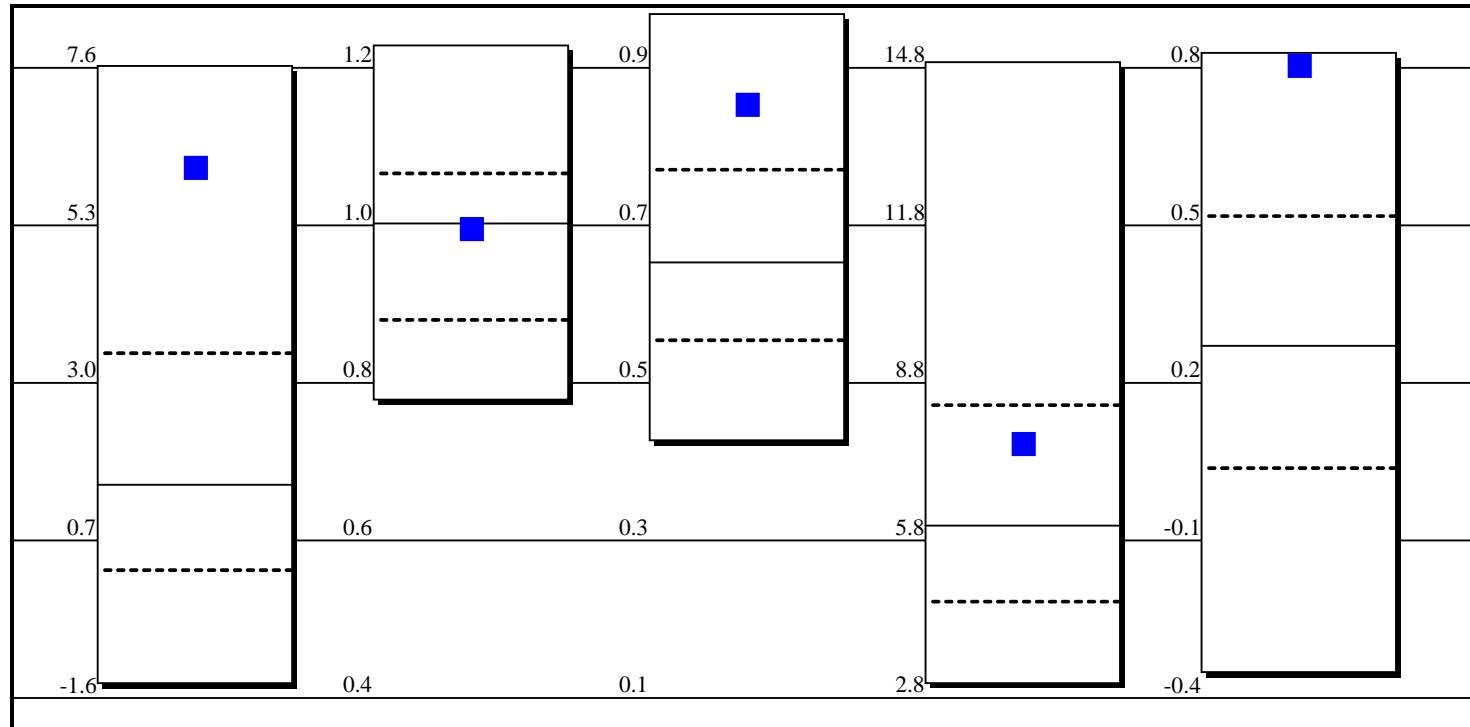
Inception Date September 30, 1998 – Period Ending December 31, 2007



Calculated quarterly

Peer Comparison with the Mercer International Equity Universe Brandes Investment Partners

Inception Date September 30, 1998 – Period Ending December 31, 2007



	Excess Return (%pa)	Beta	Reward to Risk	Tracking Error (%pa)	Information Ratio
BranGross	6.1 (9)	1.0 (53)	0.9 (15)	7.6 (33)	0.8 (6)
5th Percentile	7.6	1.2	1.0	14.9	0.8
Upper Quartile	3.4	1.1	0.8	8.4	0.5
Median	1.5	1.0	0.7	6.0	0.3
Lower Quartile	0.2	0.9	0.6	4.6	0.0
95th Percentile	-1.4	0.8	0.4	3.0	-0.4
Number of Funds	159	159	159	159	159

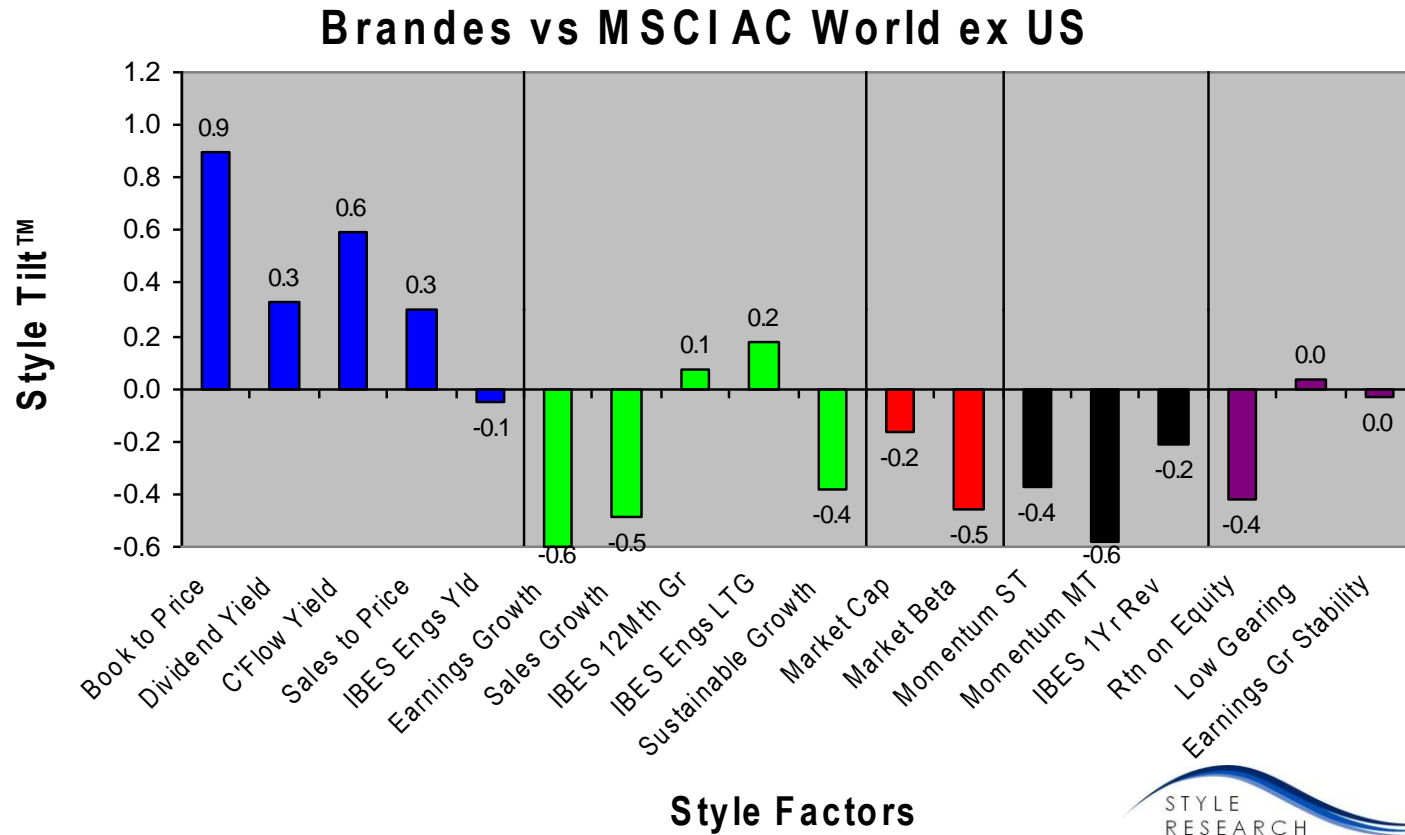
Please note this chart has been calculated using Gross of Fees

Risk and Return characteristics calculated quarterly versus Custom Benchmark

Positions: Style Analysis – Portfolio Style Skyline

Brandes Investment Partners

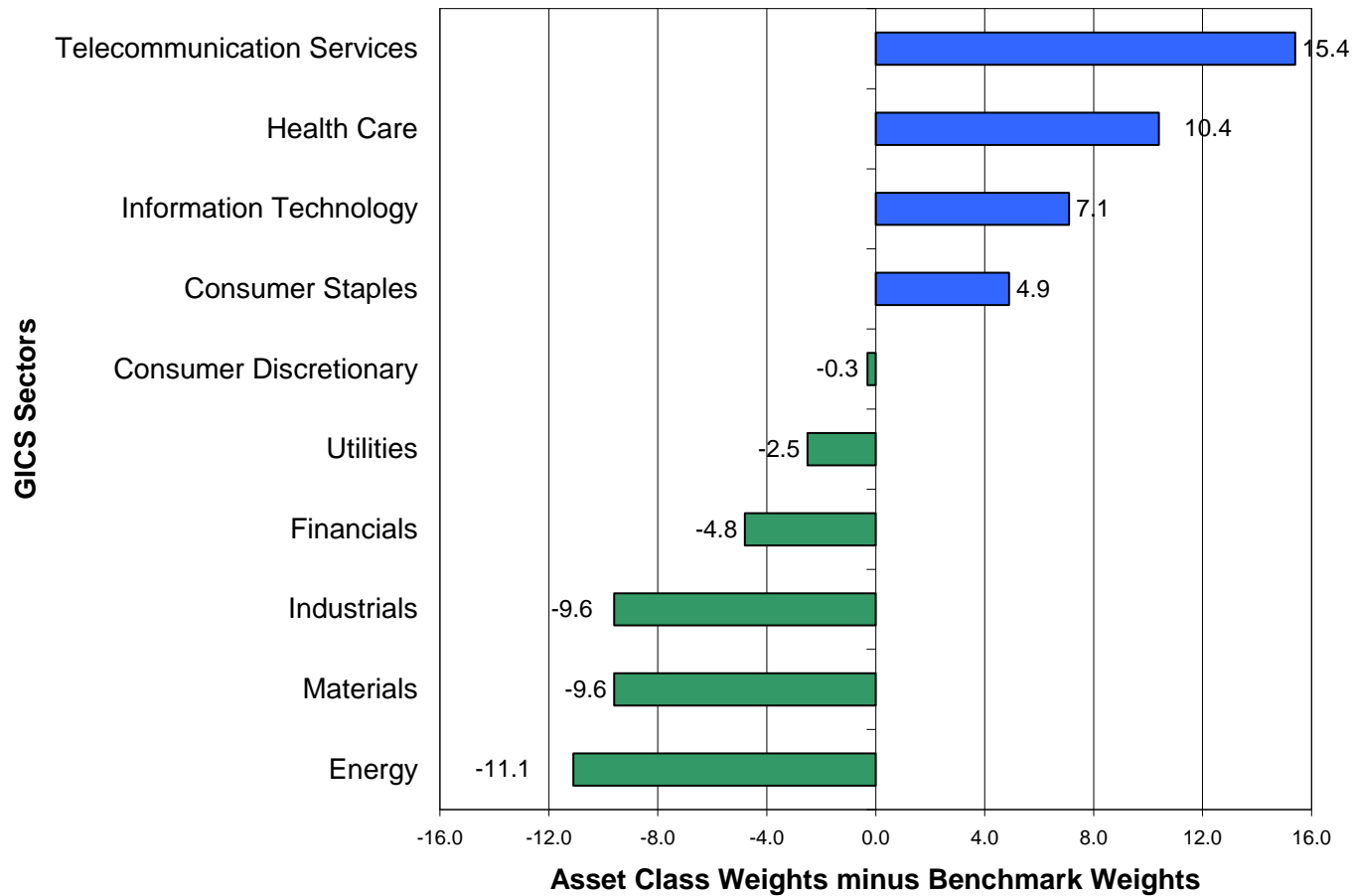
As of December 31, 2007



Positions: Economic Sectors

Brandes Investment Partners

As of December 31, 2007

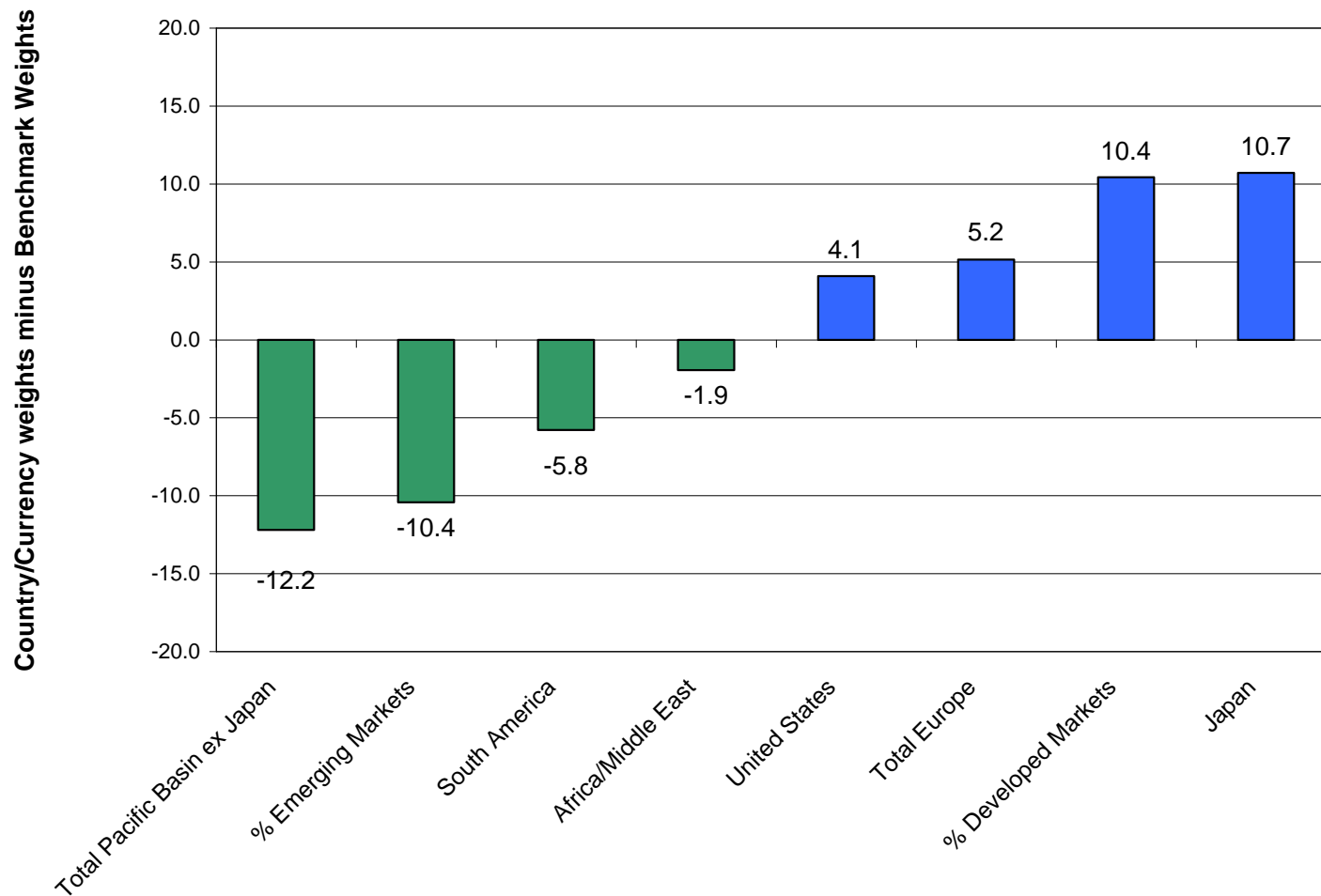


Benchmark weights are the weights of MSCI ACWI ex. U.S. Index

Positions: Country/Currency Exposure

Brandes Investment Partners

As of December 31, 2007



Mercer Manager Review

As of December 31, 2007

Brandes Investment Partners – International Equity – Active International Value		
Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	<p>Brandes' strengths are its deep team of sector specialist researchers, its rigid adherence to the Graham and Dodd style of value investing, and its culture, which fully supports these attributes. Its singular focus is on determining the intrinsic value of a business and buying those companies trading well below that intrinsic value. This deep value style leads Brandes to companies that are experiencing problems and shunned by most other investors. The process does not explicitly reject companies because of perceived quality issues, nor does it look for catalysts for unlocking value. In these ways, Brandes differentiates itself from other value investors, though the strategy may be susceptible to the value trap if the investment team gets its analysis wrong.</p> <p>With its longer-term investment horizon and concentrated portfolios, Brandes' performance can veer from the benchmark over brief periods, especially when one sector drives most of the market's returns. Investors with Brandes should ignore quarter to quarter and annual performance. This strategy is only suitable for long-term investors because over longer stretches, the firm's patient approach, founded on mean reversion, has tended to work well.</p>
Portfolio Construction	+	
Implementation	=	
Business Management	++	
Overall Rating	A– (T)	
Rating Date	11/8/2007	

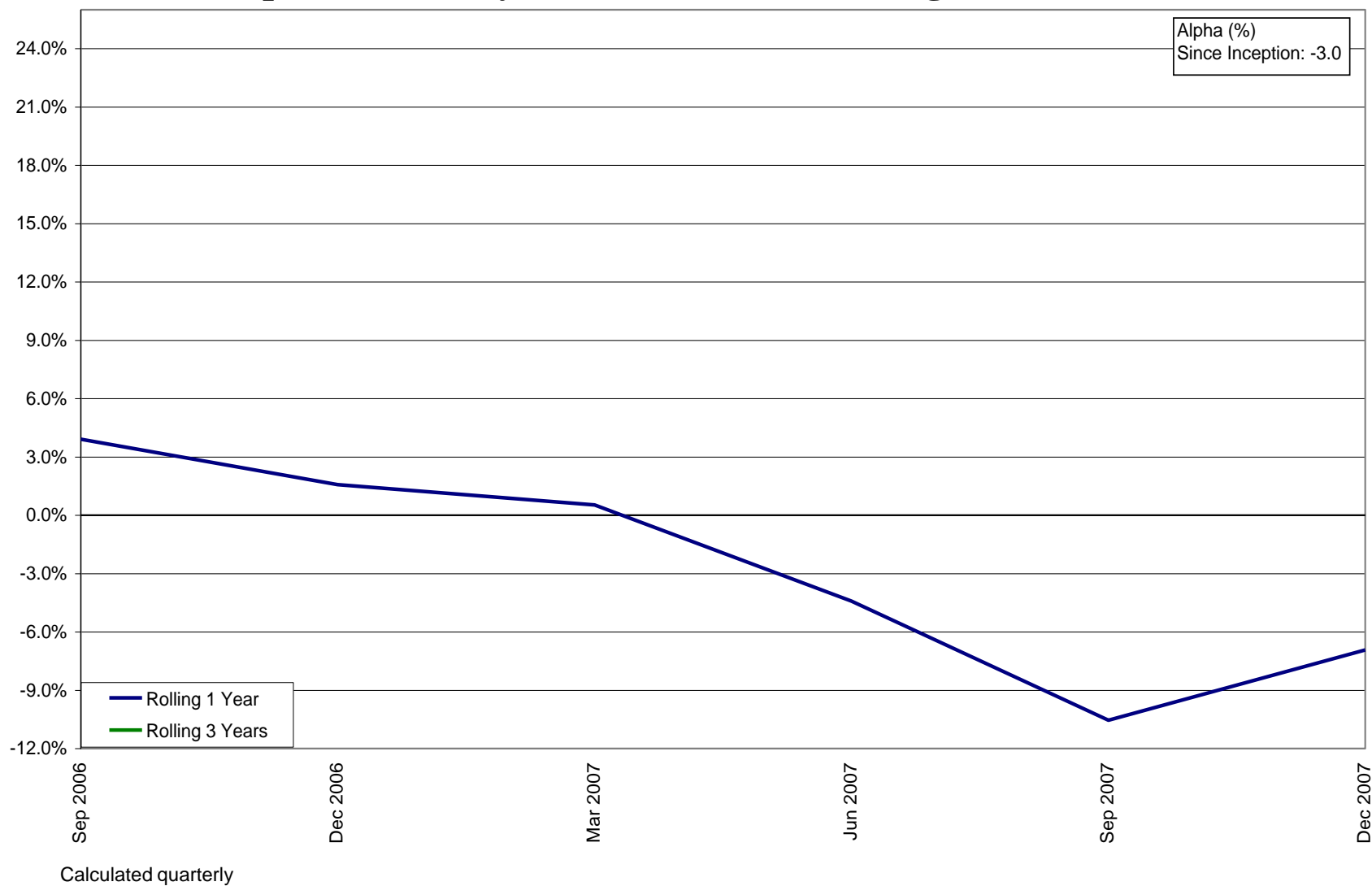
MFS Qualitative Factors

Factors	Description
People	<ul style="list-style-type: none"> • Team-based approach, research analysts provide ideas; however, Portfolio Managers have ultimate decision-making authority. • Interaction among Investment Committee, Analysts, Portfolio Managers, Compliance Department and Traders.
Philosophy	<ul style="list-style-type: none"> • Stocks of companies that provide above-average sustainable earnings growth and trade at a discount to their expected growth rate should outperform the market.
Process	<ul style="list-style-type: none"> • Believe bottom-up fundamental research provides the best means of consistently identifying good quality investment opportunities. • Rather than rely on sell-side estimates, MFS interviews company management, builds proprietary earnings models and rates stocks within industry coverage. • Incorporate the most attractive opportunities across all sectors and all regions to build a diversified portfolio. • Risk management occurs at the security, portfolio and firm levels.

Alpha

MFS Investment Management

Inception Date July 31, 2005 – Period Ending December 31, 2007



Information Ratio
MFS Investment Management
Inception Date July 31, 2005 – Period Ending December 31, 2007

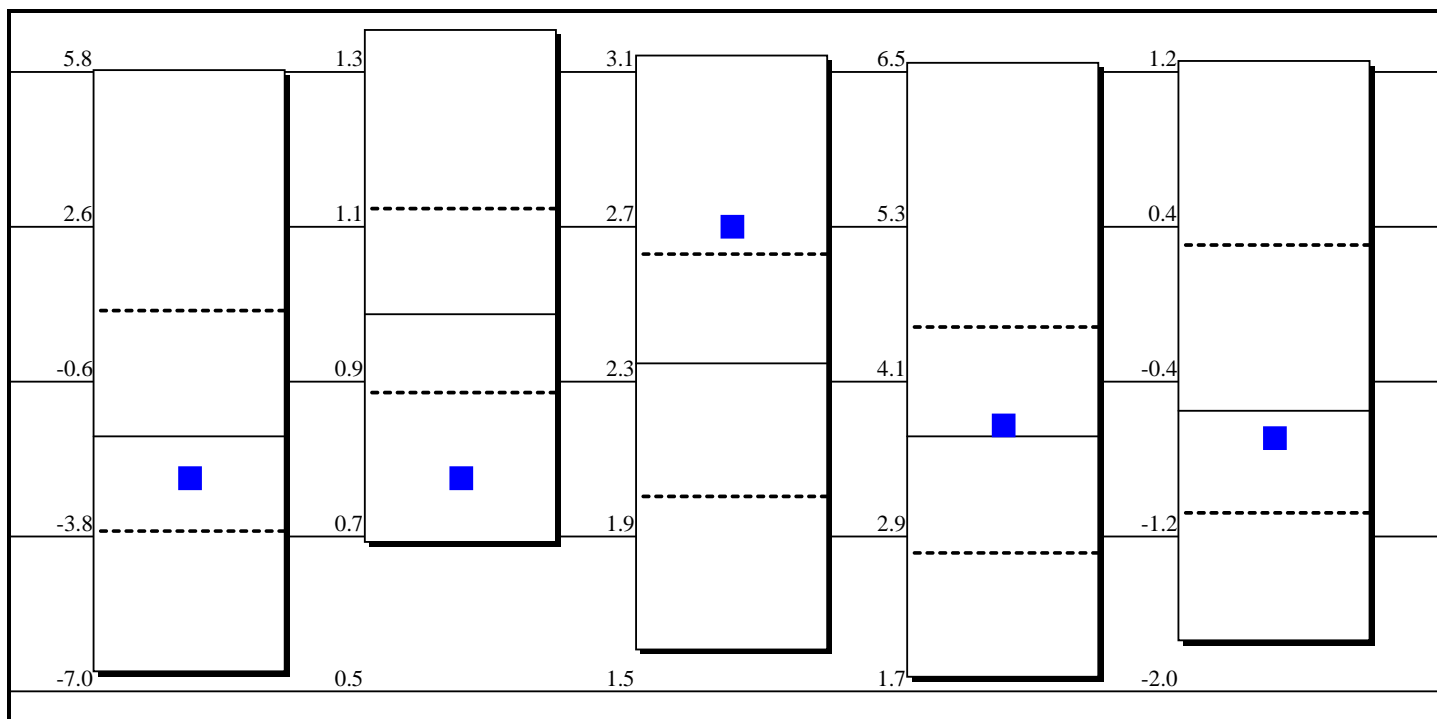


Calculated quarterly

Peer Comparison with the Mercer International Equity Universe

MFS Investment Management

Inception Date July 31, 2005 – Period Ending December 31, 2007



	Excess Return (%pa)	Beta	Reward to Risk	Tracking Error (%pa)	Information Ratio
MFS Gross ■	-2.6 (59)	0.8 (90)	2.7 (20)	3.8 (46)	-0.7 (54)
5th Percentile	5.8	1.4	3.1	6.6	1.3
Upper Quartile	0.8	1.1	2.6	4.5	0.3
Median	-1.7	1.0	2.3	3.7	-0.6
Lower Quartile	-3.7	0.9	2.0	2.8	-1.1
95th Percentile	-6.6	0.7	1.6	1.8	-1.7
Number of Funds	283	283	283	283	283

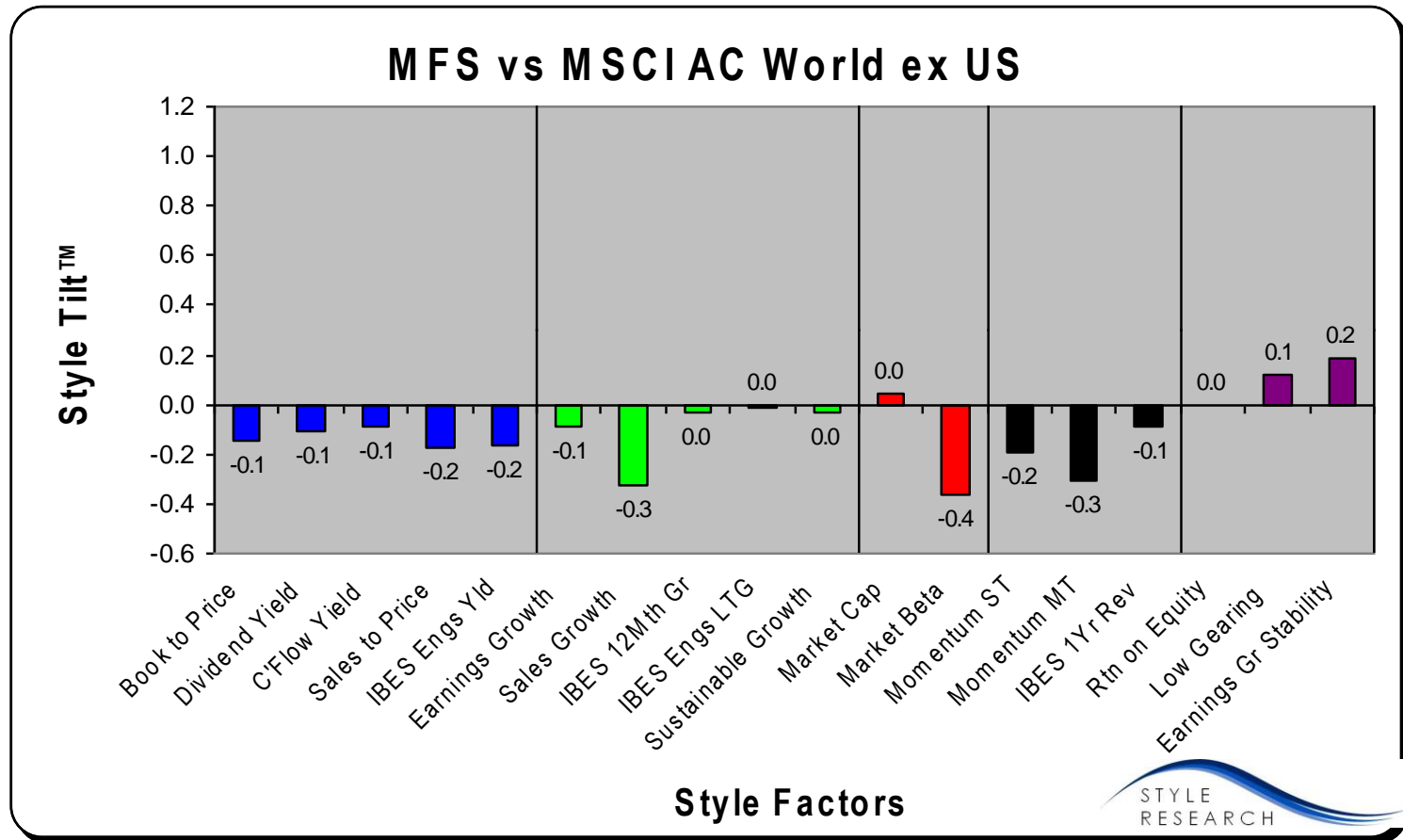
Please note this chart has been calculated using Gross of Fees

Risk and Return characteristics calculated quarterly versus MSCI AC World ex U.S.

Positions: Style Analysis – Portfolio Style Skyline

MFS Investment Management

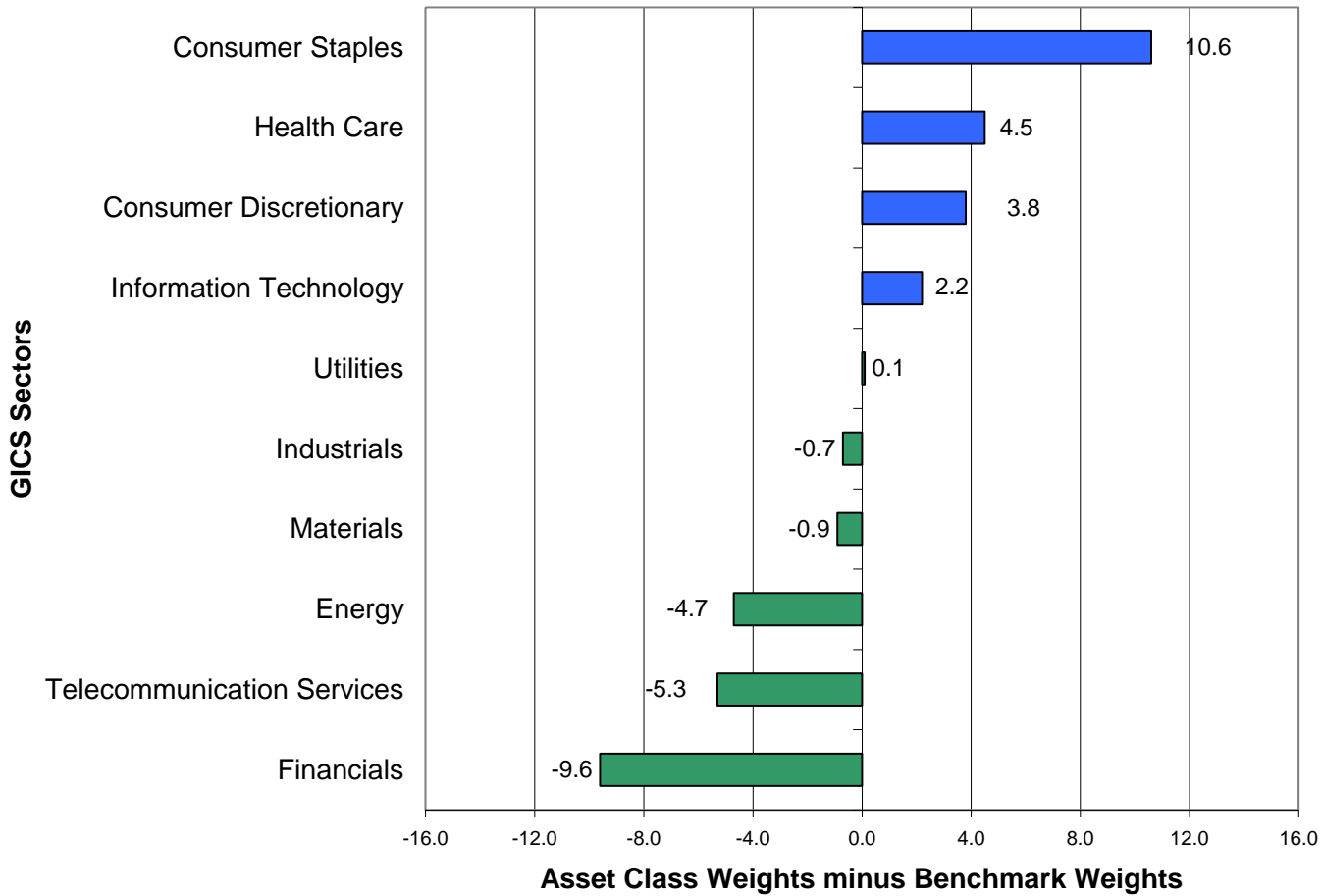
As of December 31, 2007



Positions: Economic Sectors

MFS Investment Management

As of December 31, 2007

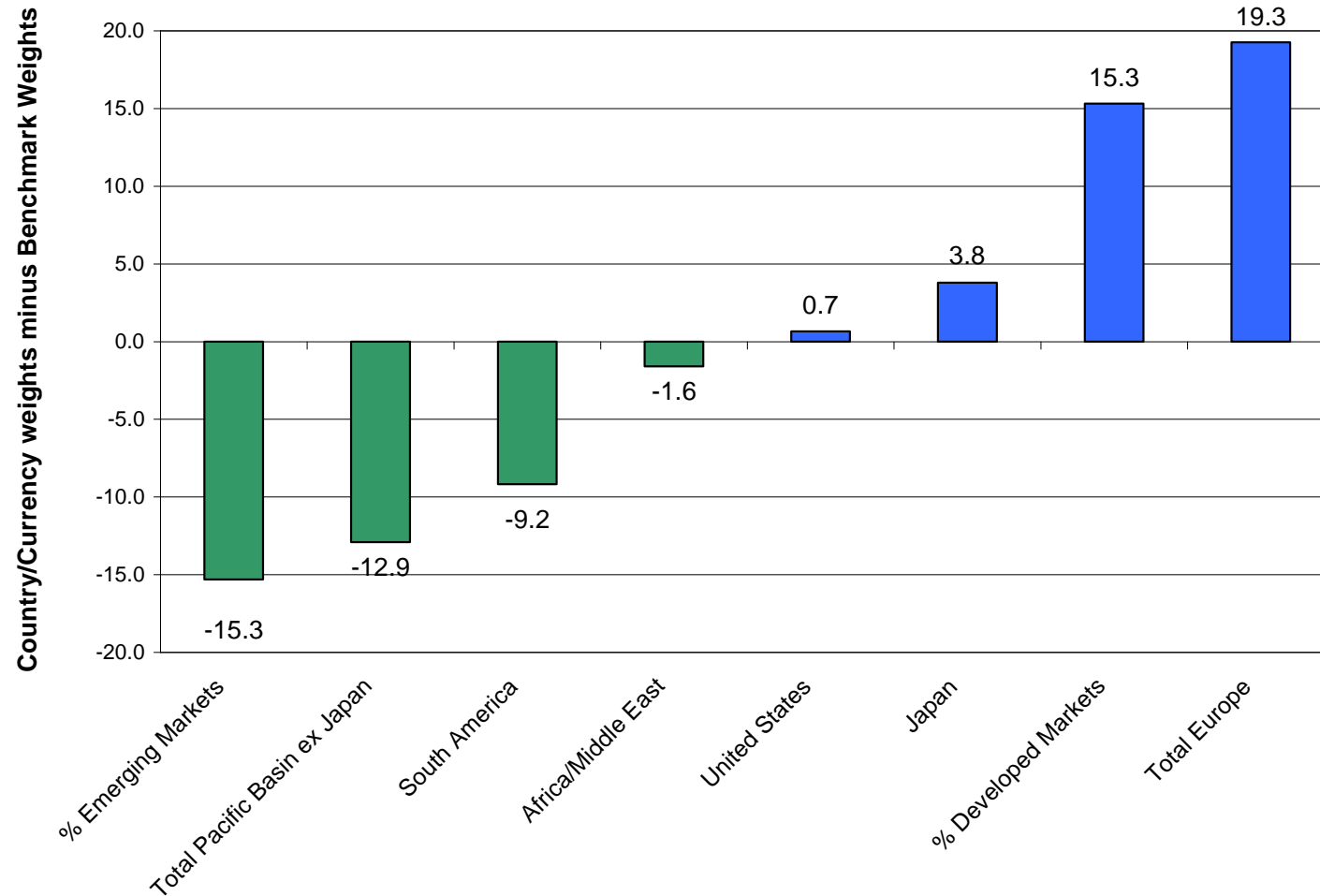


Benchmark weights are the weights of MSCI ACWI ex. U.S. Index

Positions: Country/Currency Exposure

MFS Investment Management

As of December 31, 2007



Mercer Manager Review

As of December 31, 2007

MFS Investment Management – International Equity – Active International Core		
Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	<p>David Mannheim, Simon Todd, and Marcus Smith are exceptionally competent portfolio managers and are supported by a well-resourced team of associate portfolio managers and industry analysts. Their experience, talent and insight leads to a well-executed investment process. While MFS has a strong team of research analysts to support its various strategies, it is the strength of the portfolio management team that drives the global products.</p> <p>The investment strategy of focusing on stocks with above average, sustainable growth at reasonable valuations has led to a core portfolio that exhibits a slight growth orientation. Because of its quality orientation, the Global Equity product tends to underperform during markets favoring speculative names.</p>
Portfolio Construction	+	
Implementation	+	
Business Management	+	
Overall Rating	A	
Rating Date	11/8/2007	

Hansberger Global Investors

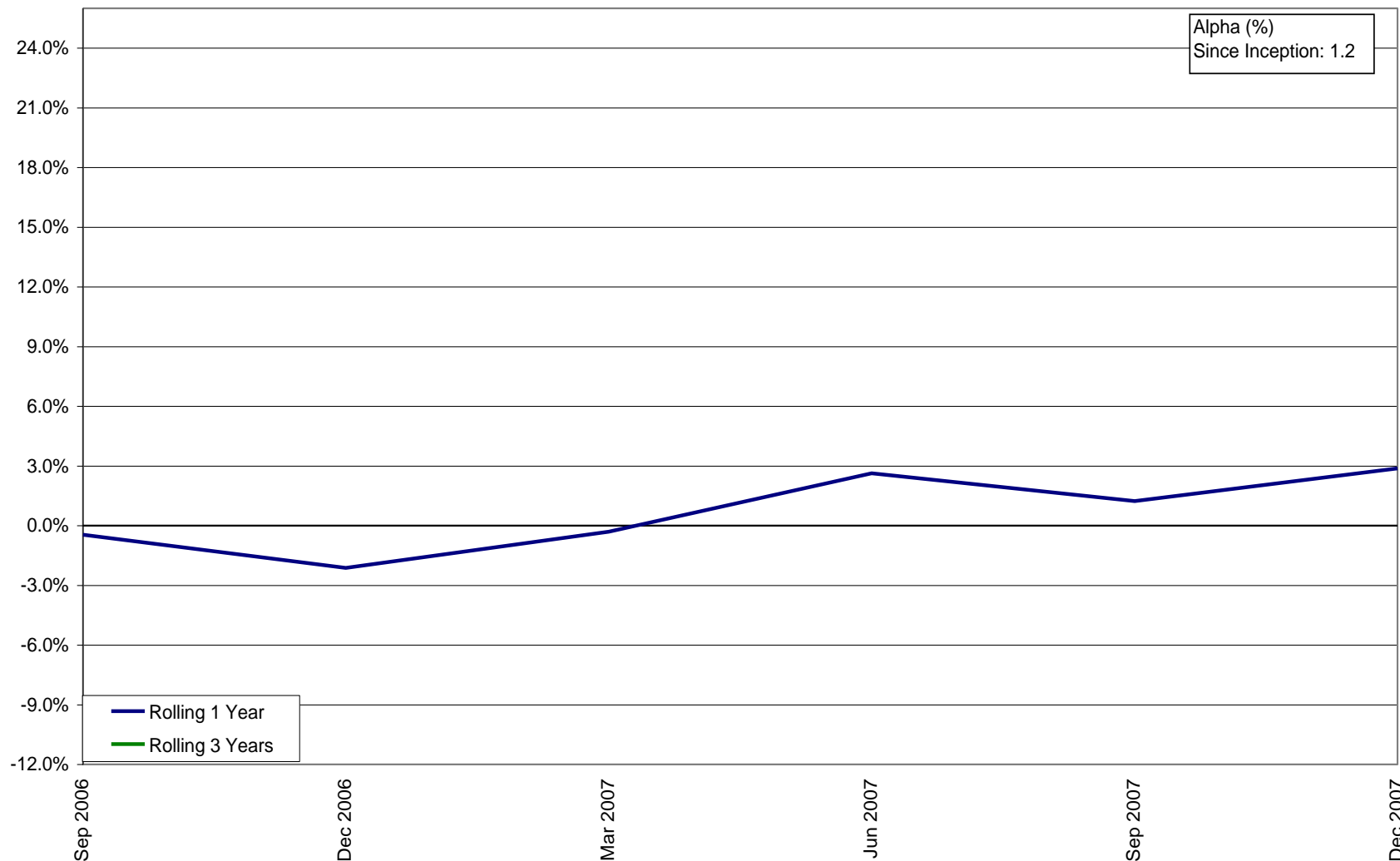
Qualitative Factors

Factors	Description
People	<ul style="list-style-type: none"> • Team-based approach, investment professionals and industry analysts provide ideas; however, CIO has ultimate decision-making authority backed up by the Portfolio Management team.
Philosophy	<ul style="list-style-type: none"> • Believe that superior growth companies with attractive valuations and a competitive market advantage provide the best opportunities for investment.
Process	<ul style="list-style-type: none"> • Quantitative screens are used to identify the top quintile of stocks with superior growth characteristics, these screens result in approximately 500 stocks known as a “Star List.” • The “Star List” is rated based on relative valuation and price momentum; the top 80-100 stocks are considered for portfolio inclusion. • Fundamental analysis is used to further refine the list and identify any issues the quantitative approach may have overlooked. • Portfolios are diversified.

Alpha

Hansberger Global Investors

Inception Date July 31, 2005 – Period Ending December 31, 2007

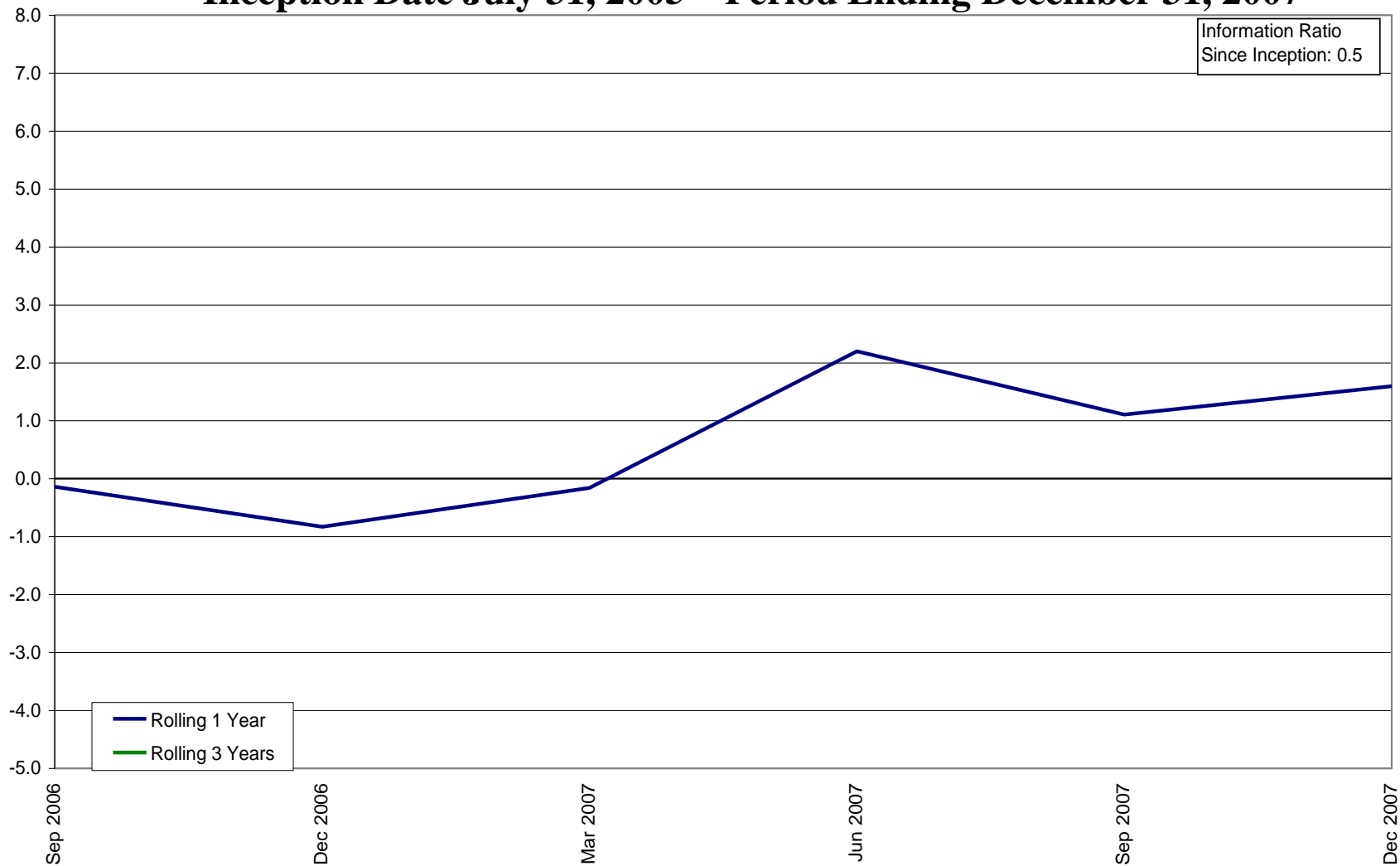


Calculated quarterly

Information Ratio

Hansberger Global Investors

Inception Date July 31, 2005 – Period Ending December 31, 2007

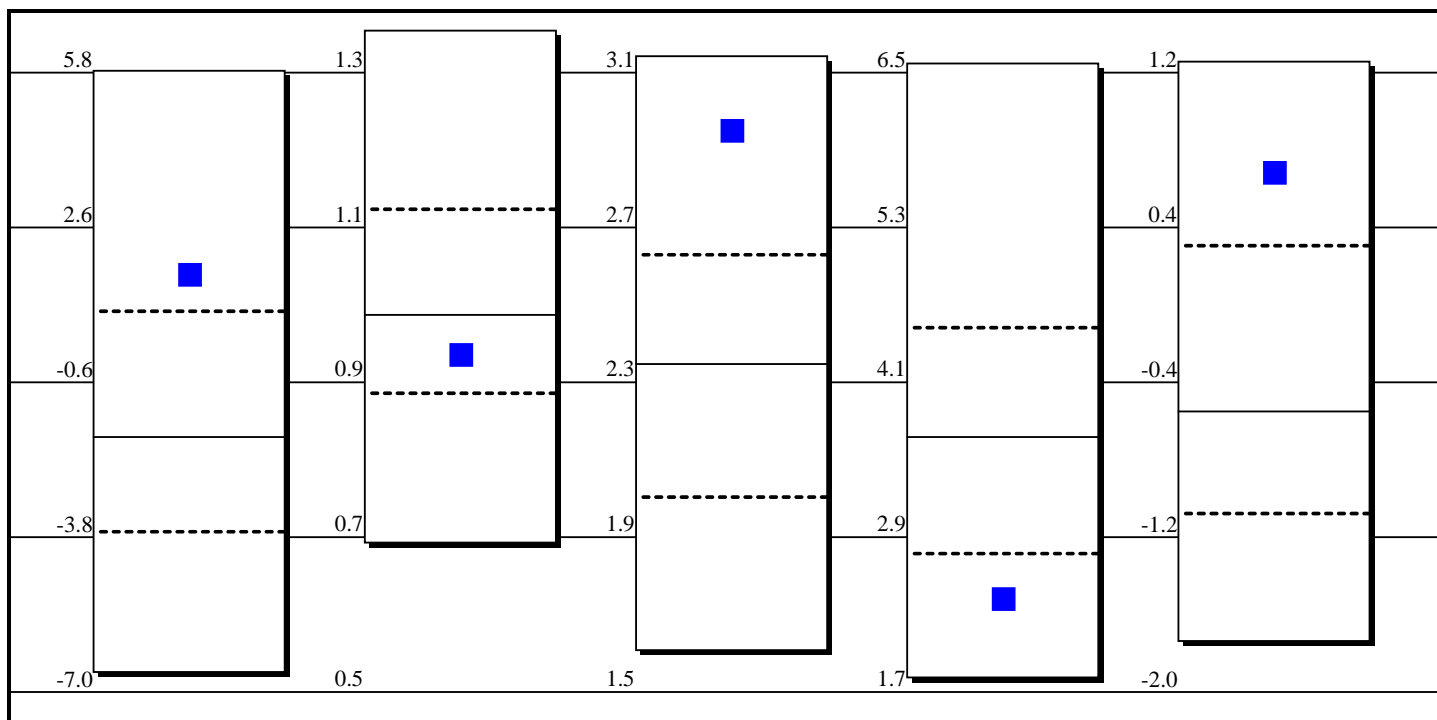


Calculated quarterly

Peer Comparison with the Mercer International Equity Universe

Hansberger Global Investors

Inception Date July 31, 2005 – Period Ending December 31, 2007



	Excess Return (%pa)	Beta	Reward to Risk	Tracking Error (%pa)	Information Ratio
HansGross	1.6 (20)	0.9 (64)	2.9 (11)	2.4 (83)	0.7 (15)
5th Percentile	5.8	1.4	3.1	6.6	1.3
Upper Quartile	0.8	1.1	2.6	4.5	0.3
Median	-1.7	1.0	2.3	3.7	-0.6
Lower Quartile	-3.7	0.9	2.0	2.8	-1.1
95th Percentile	-6.6	0.7	1.6	1.8	-1.7
Number of Funds	283	283	283	283	283

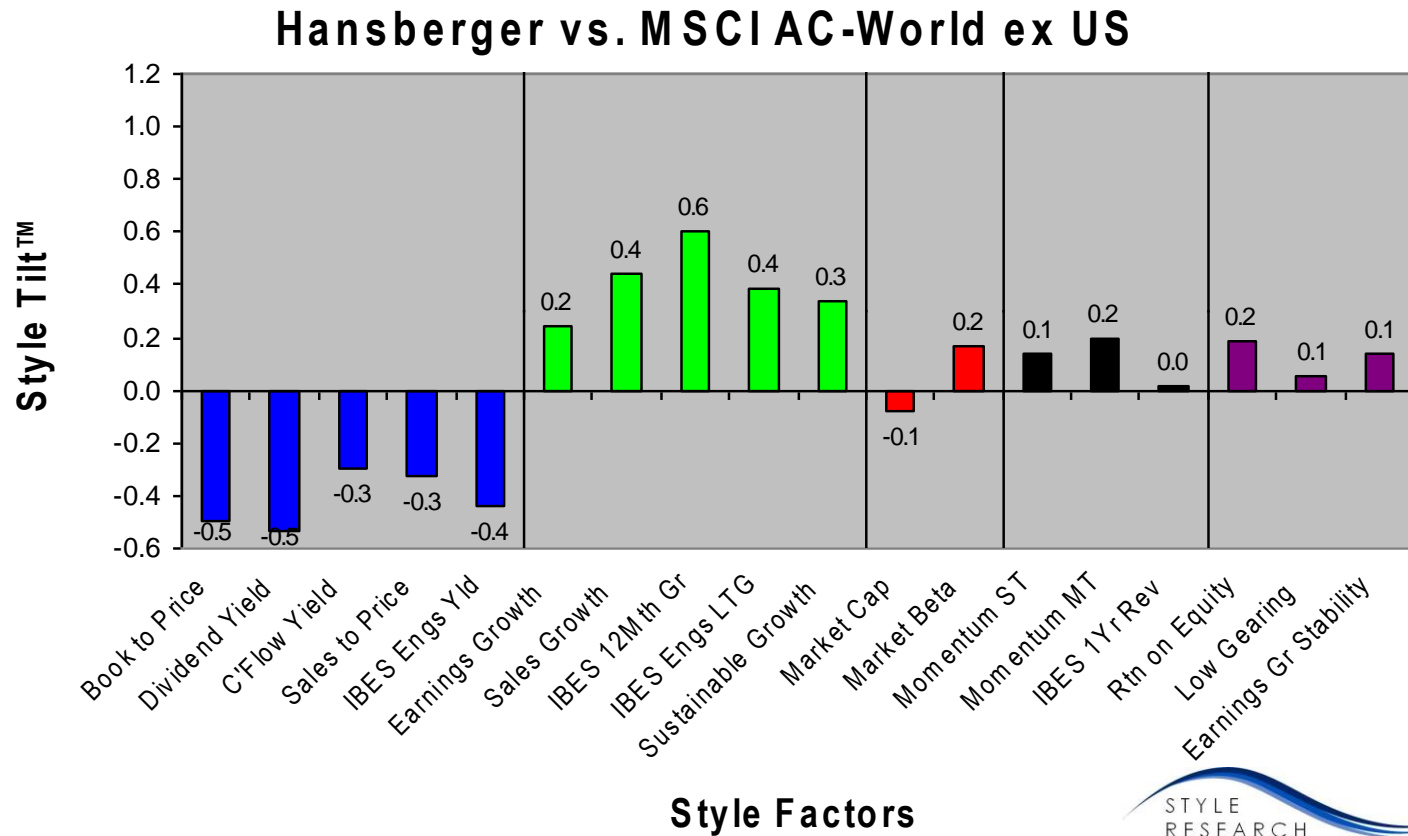
Please note this chart has been calculated using Gross of Fees

Risk and Return characteristics calculated quarterly versus MSCI AC World ex U.S.

Positions: Style Analysis – Portfolio Style Skyline

Hansberger Global Advisors

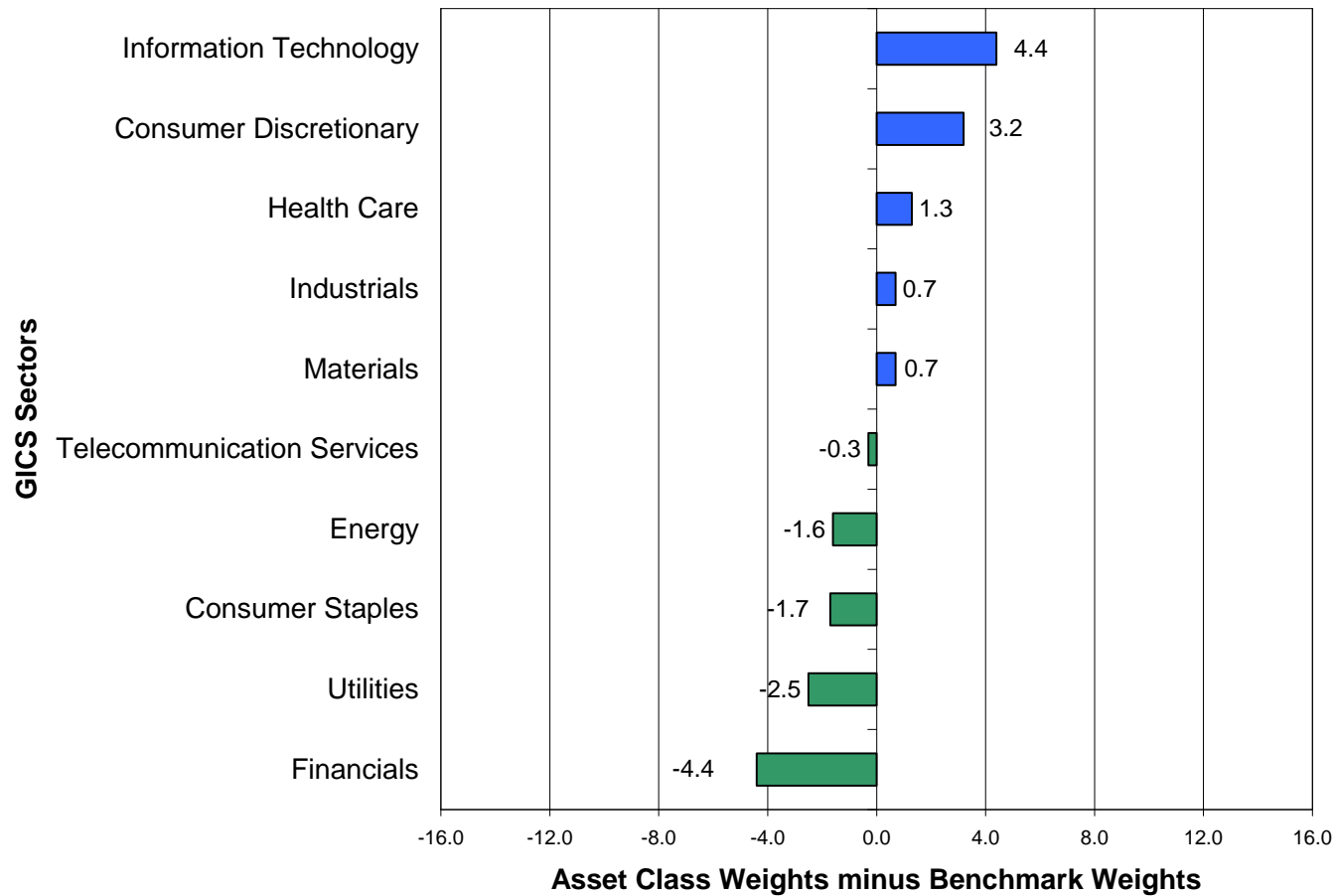
As of December 31, 2007



Positions: Economic Sectors

Hansberger Global Advisors

As of December 31, 2007

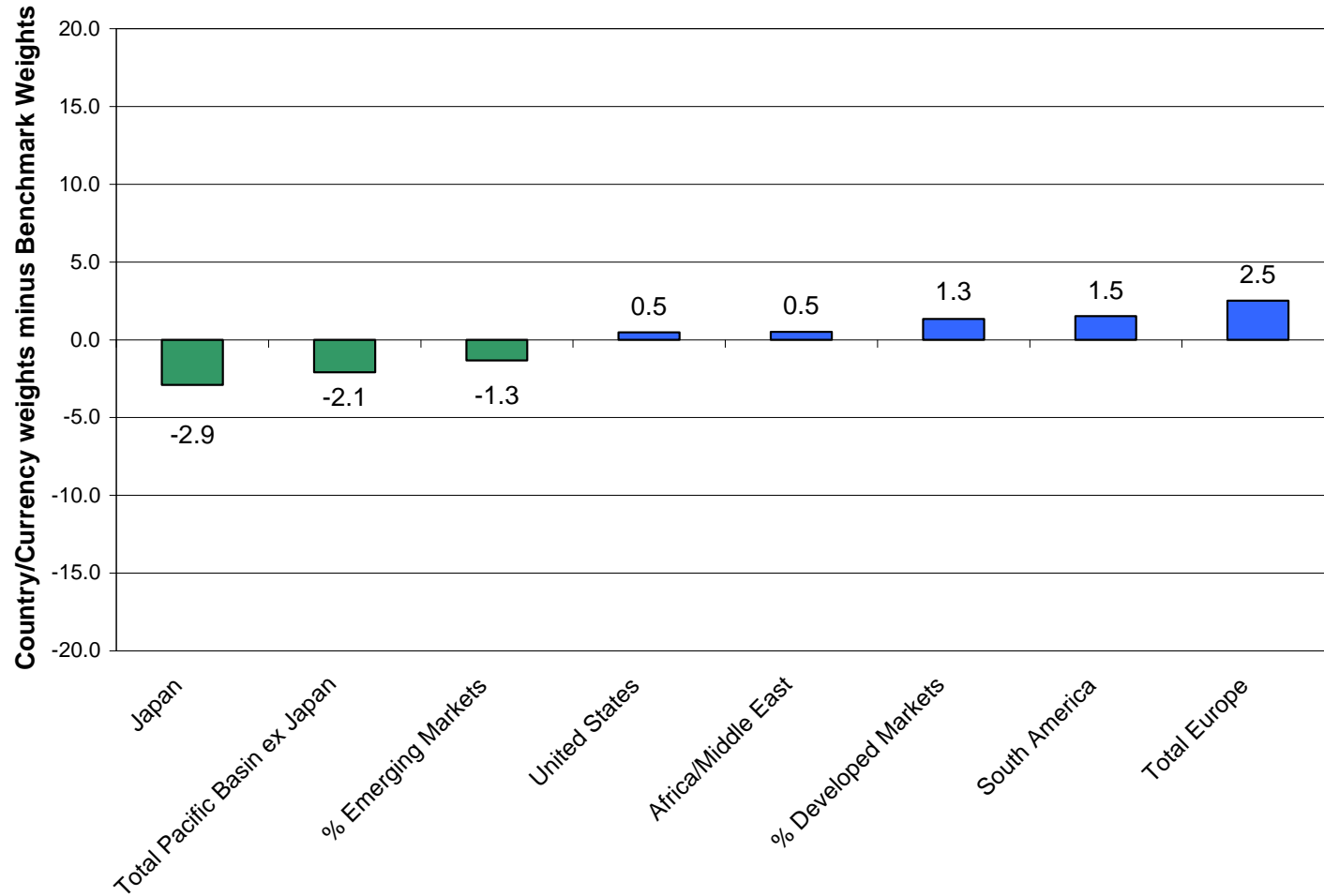


Benchmark weights are the weights of MSCI ACWI ex. U.S. Index

Positions: Country/Currency Exposure

Hansberger Global Advisors

As of December 31, 2007



Mercer Manager Review

As of December 31, 2007

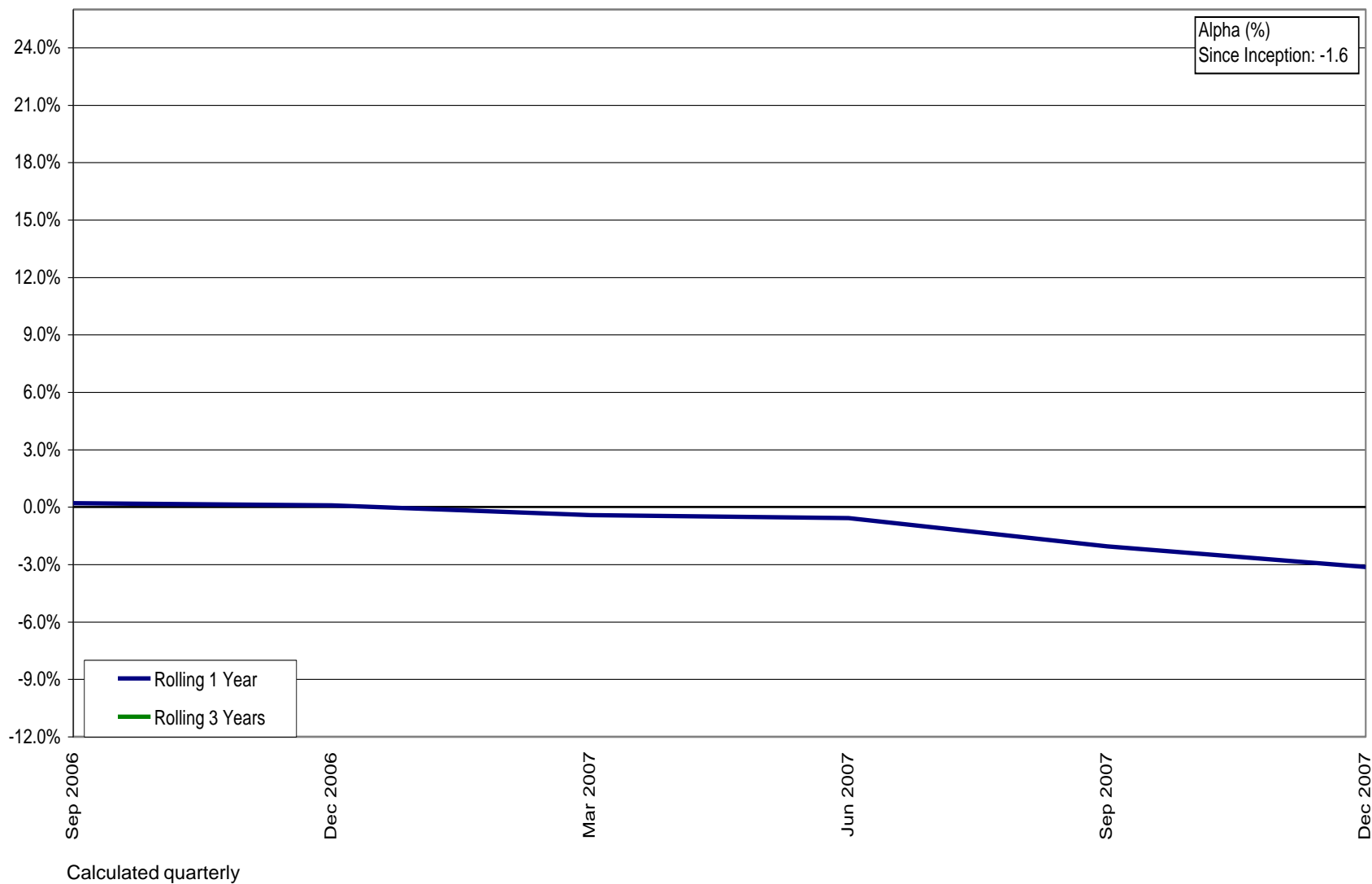
Hansberger Global Investors – International Equity – Active International Growth		
Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	We regard portfolio manager Tom Tibbles highly, both as an insightful and talented investor and a strong team leader. The core of the team has been together since 1996, and new members have been added through the 2000s. The team has developed and consistently used a process of quantitative screening, standardized research, and a consistent set of buy/sell factors to implement its investment philosophy. The process has been stable since inception in 1996 and has proven itself over time, so the team keeps it simple by re-doing what's been working. The team has stuck to its high quality, large cap, growth style. We believe that the process and the strategy's success are repeatable.
Portfolio Construction	+	
Implementation	+	
Business Management	+	
Overall Rating	A	
Rating Date	12/7/2007	

BGI Global ex-US Alpha Tilts

Qualitative Factors

Factors	Description
People	<ul style="list-style-type: none"> • Team approach in the areas of strategy, portfolio management, client service, research, trading and operations support. • Investment professionals work on multiple strategies and team members are easily interchangeable. • Research is conducted by over 200 experienced academics and investment professionals. The research group does not have portfolio management or marketing responsibilities.
Philosophy	<ul style="list-style-type: none"> • Seek to capture systematic return effects driven by market inefficiencies that are undiscovered or ignored by many investors while minimizing uncompensated risks.
Process	<ul style="list-style-type: none"> • BGI uses a proprietary alpha forecasting model and an advanced optimization process to select stocks in the developed market portion of the Global Ex-US Alpha Tilts Fund. • Active risk is allocated to Europe, Japan and Canada. No risk exposure/passive allocation assigned to New Zealand, Australia, Emerging Markets, Hong Kong and Singapore. • The models quantify complex pricing relationships across the equity markets and identify the sources or factors of equity returns that are slightly mispriced by the market. The portfolio is structured to emphasize (or “tilt” toward) return factors that are undervalued. • The models use relative value, earnings quality and sentiment signals. • Each developed market regional tilts portfolio is optimized separately. The resulting portfolios are highly diversified.

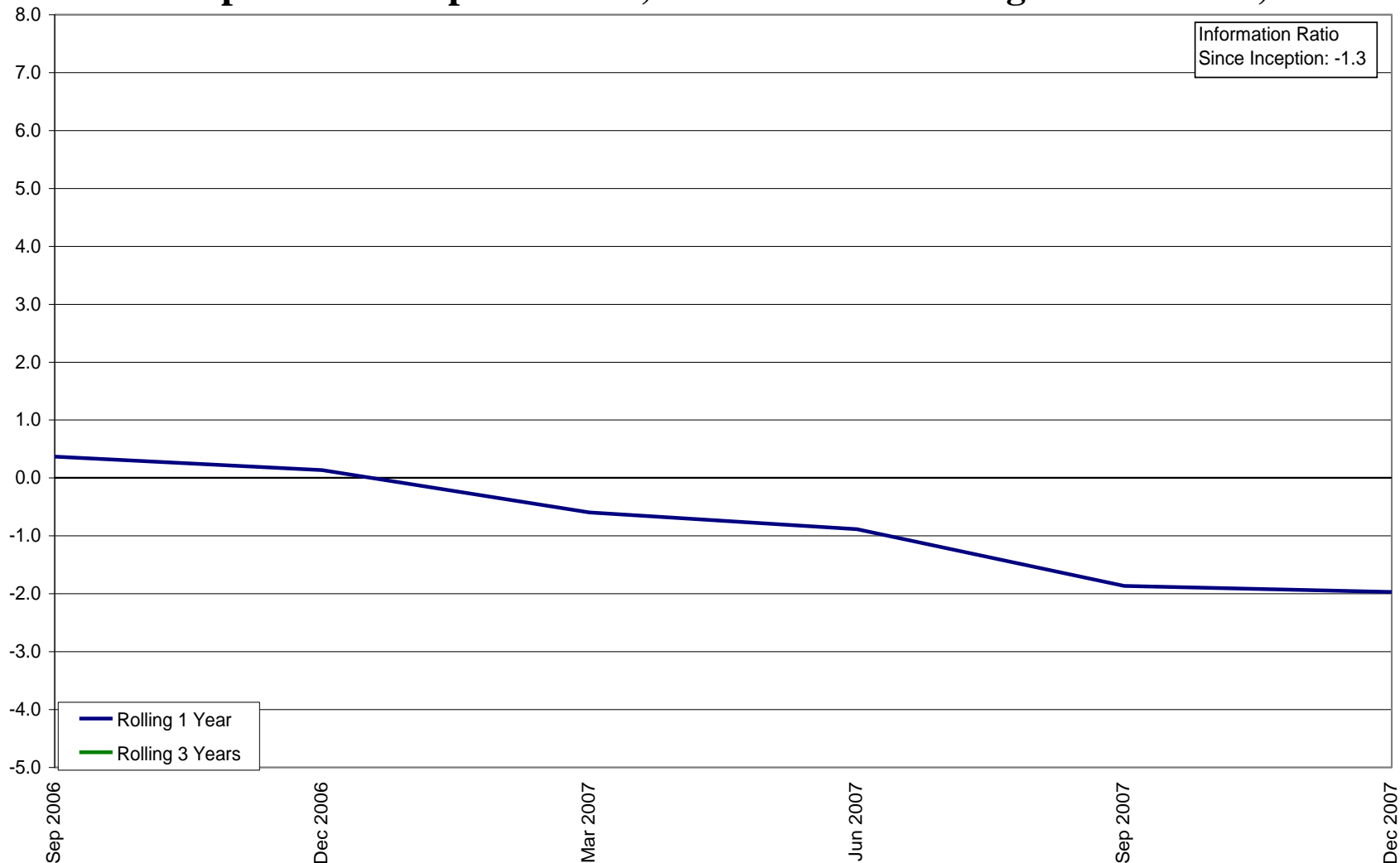
Alpha
Barclays Global Investors
Inception Date September 30, 2005 – Period Ending December 31, 2007



Information Ratio

Barclays Global Investors

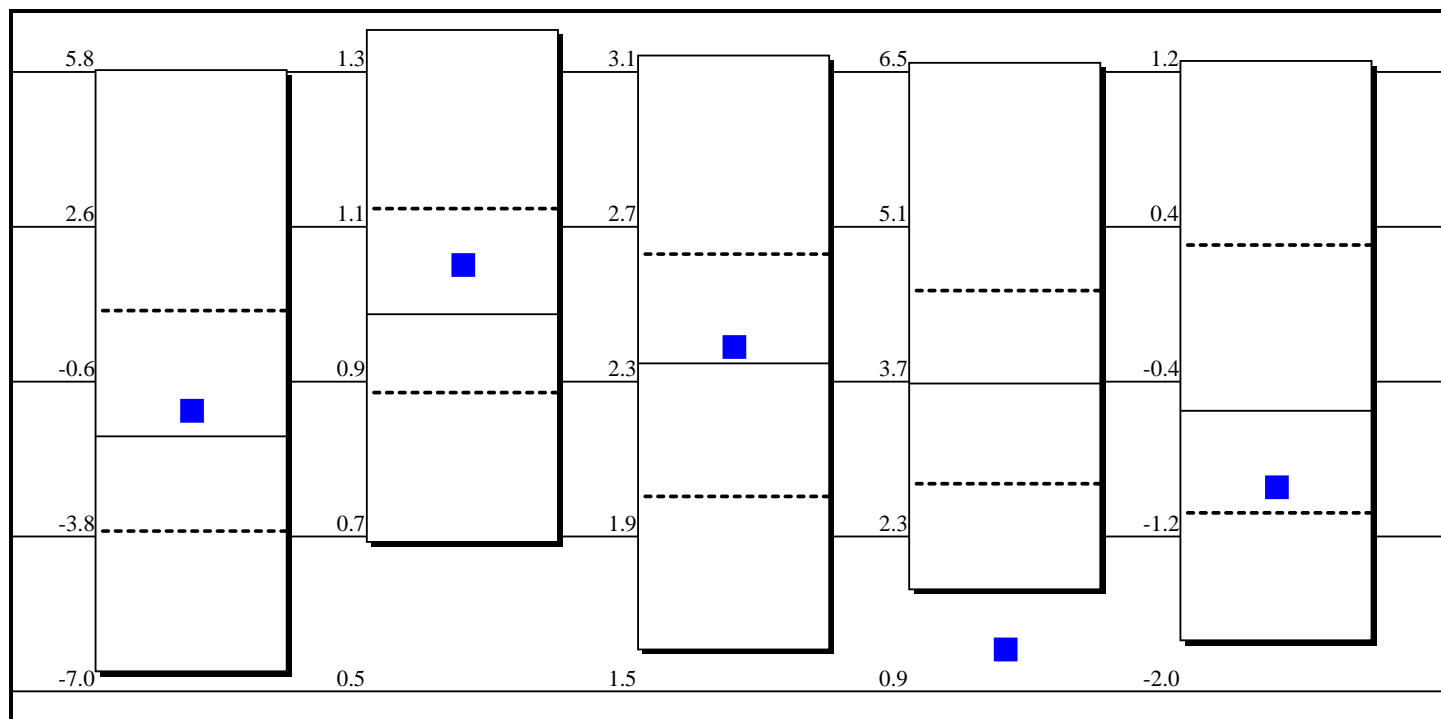
Inception Date September 30, 2005 – Period Ending December 31, 2007



Calculated quarterly

Peer Comparison with the Mercer International Equity Universe Barclays Global Investors

Inception Date September 30, 2005 – Period Ending December 31, 2007



	Excess Return (%pa)	Beta	Reward to Risk	Tracking Error (%pa)	Information Ratio
BGI Gross	-1.2 (44)	1.1 (39)	2.4 (45)	1.3 (99)	-0.9 (70)
5th Percentile	5.8	1.4	3.1	6.6	1.3
Upper Quartile	0.8	1.1	2.6	4.5	0.3
Median	-1.7	1.0	2.3	3.7	-0.6
Lower Quartile	-3.7	0.9	2.0	2.8	-1.1
95th Percentile	-6.6	0.7	1.6	1.8	-1.7
Number of Funds	283	283	283	283	283

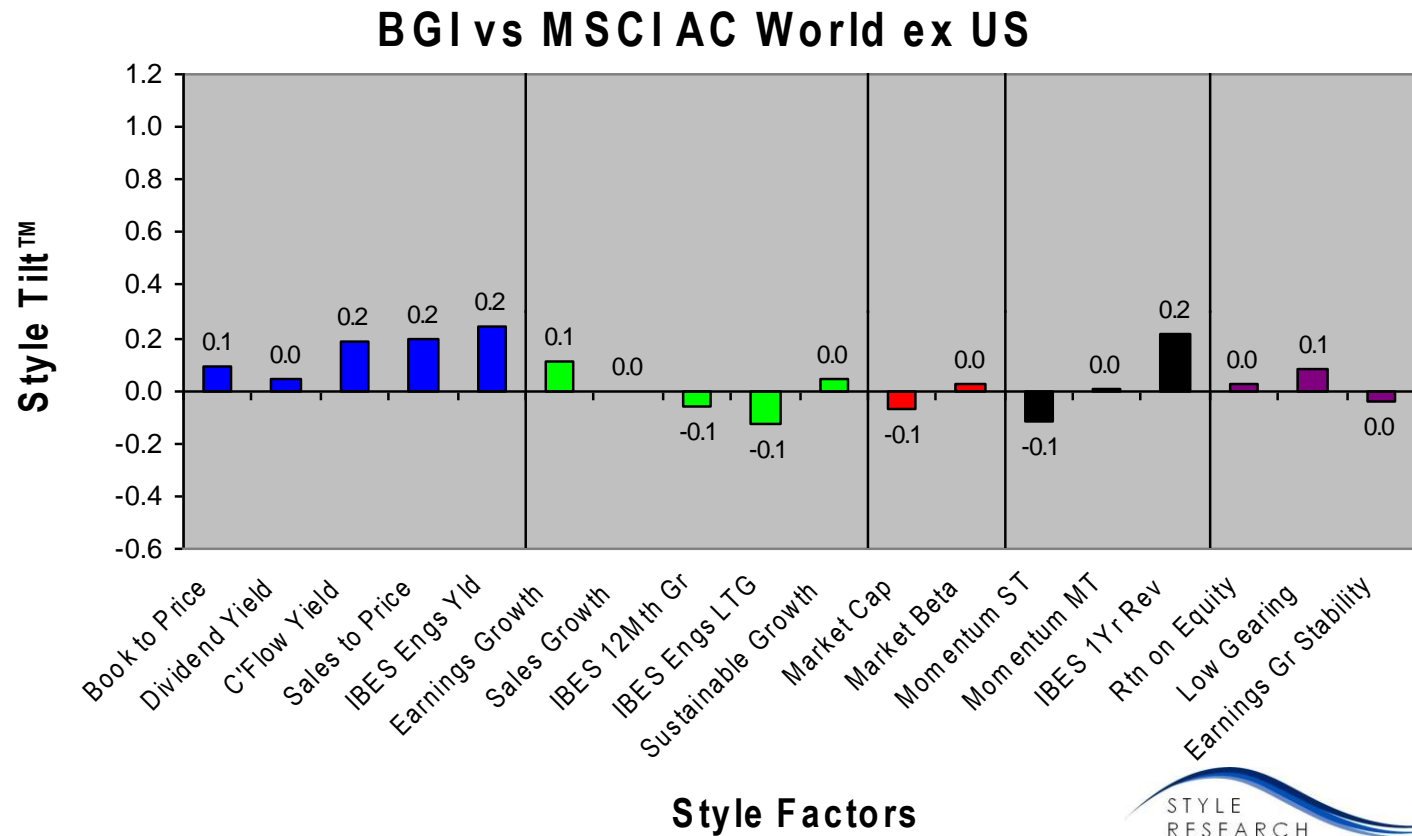
Please note this chart has been calculated using Gross of Fees

Risk and Return characteristics calculated quarterly versus MSCI AC World ex U.S.

Positions: Style Analysis – Portfolio Style Skyline

Barclays Global Investors

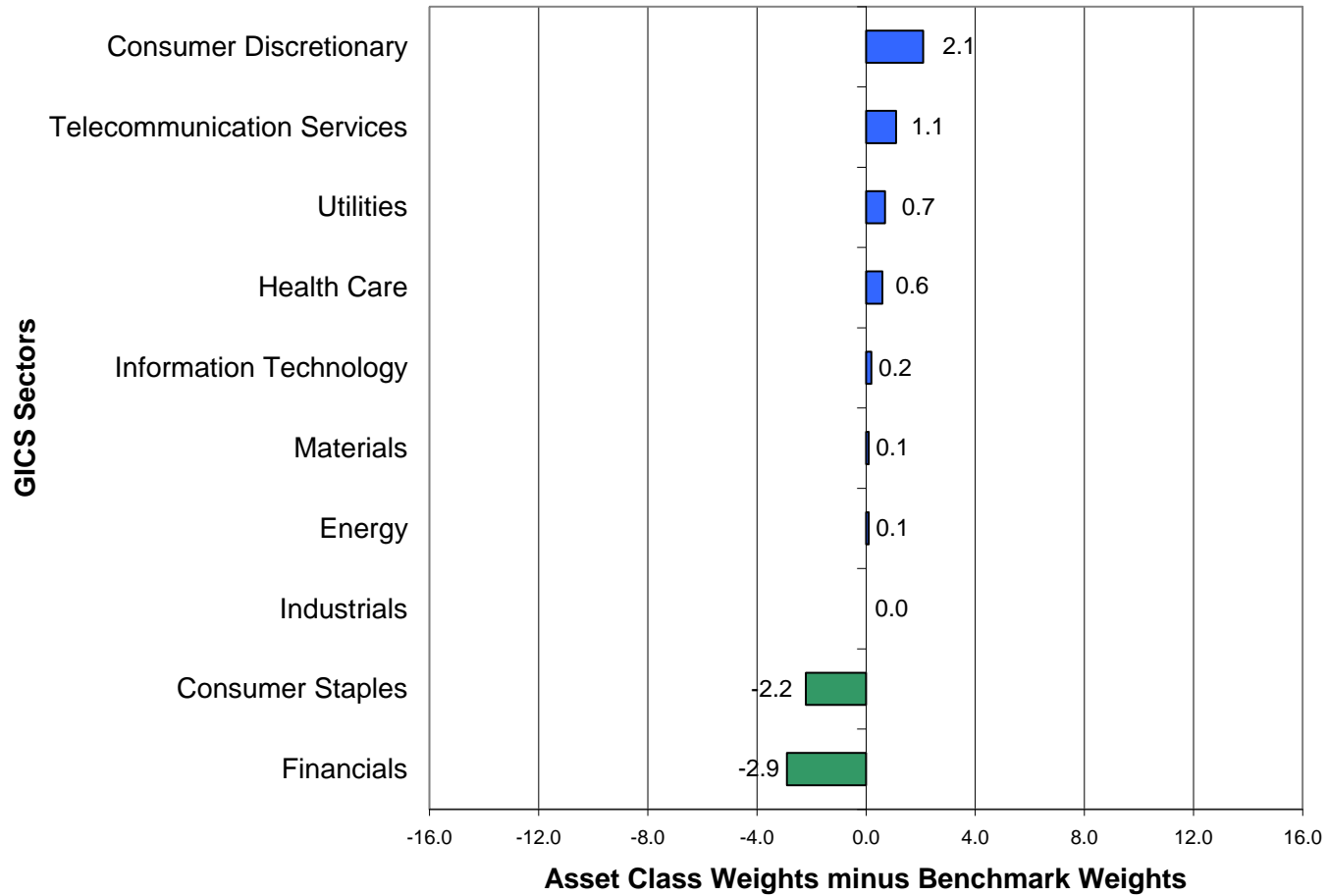
As of December 31, 2007



Positions: Economic Sectors

Barclays Global Investors

As of December 31, 2007



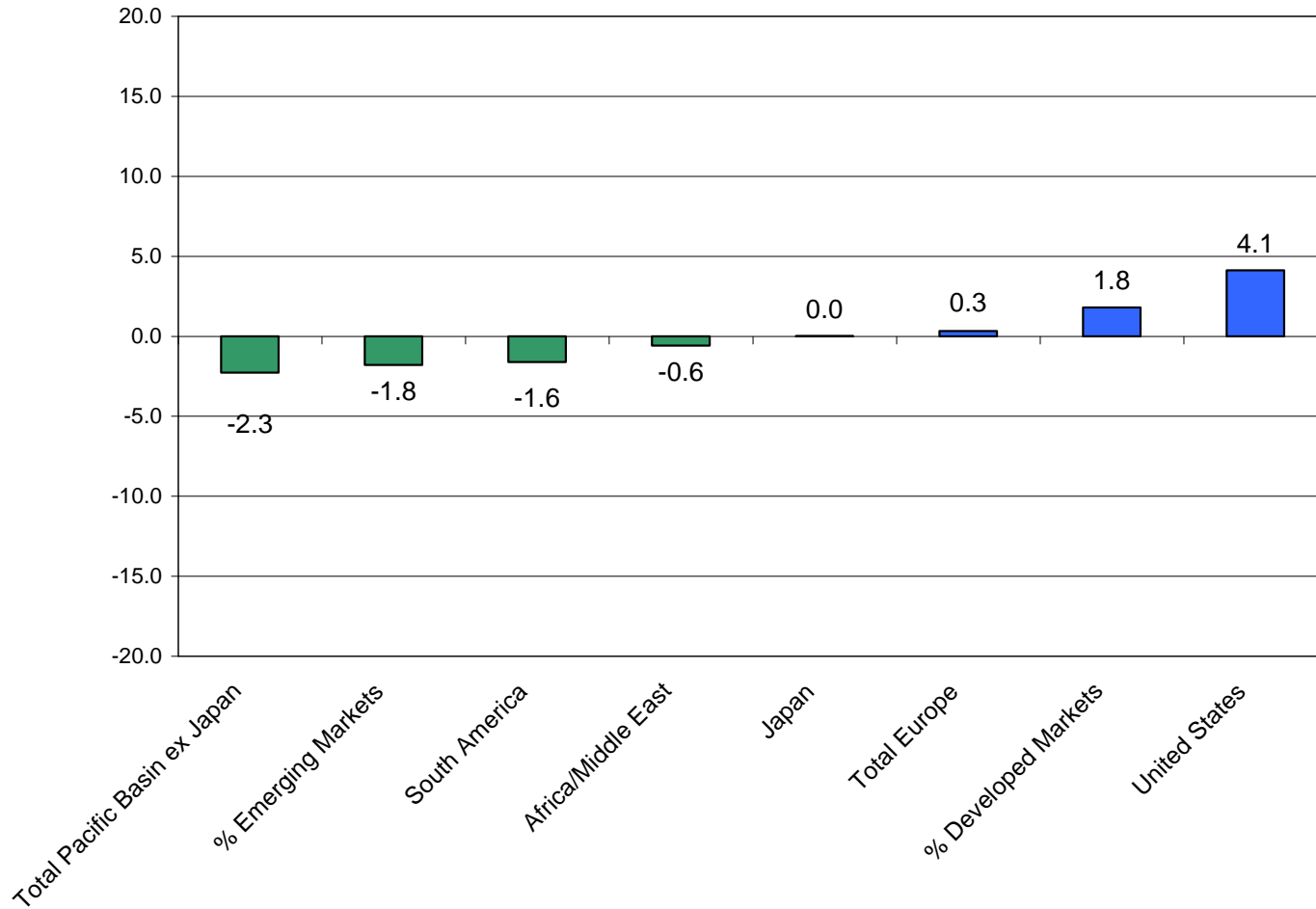
Benchmark weights are the weights of MSCI ACWI ex. U.S. Index

Positions: Country/Currency Exposure

Barclays Global Investors

As of December 31, 2007

Country/Currency weights minus Benchmark Weights



Mercer Manager Review

As of December 31, 2007

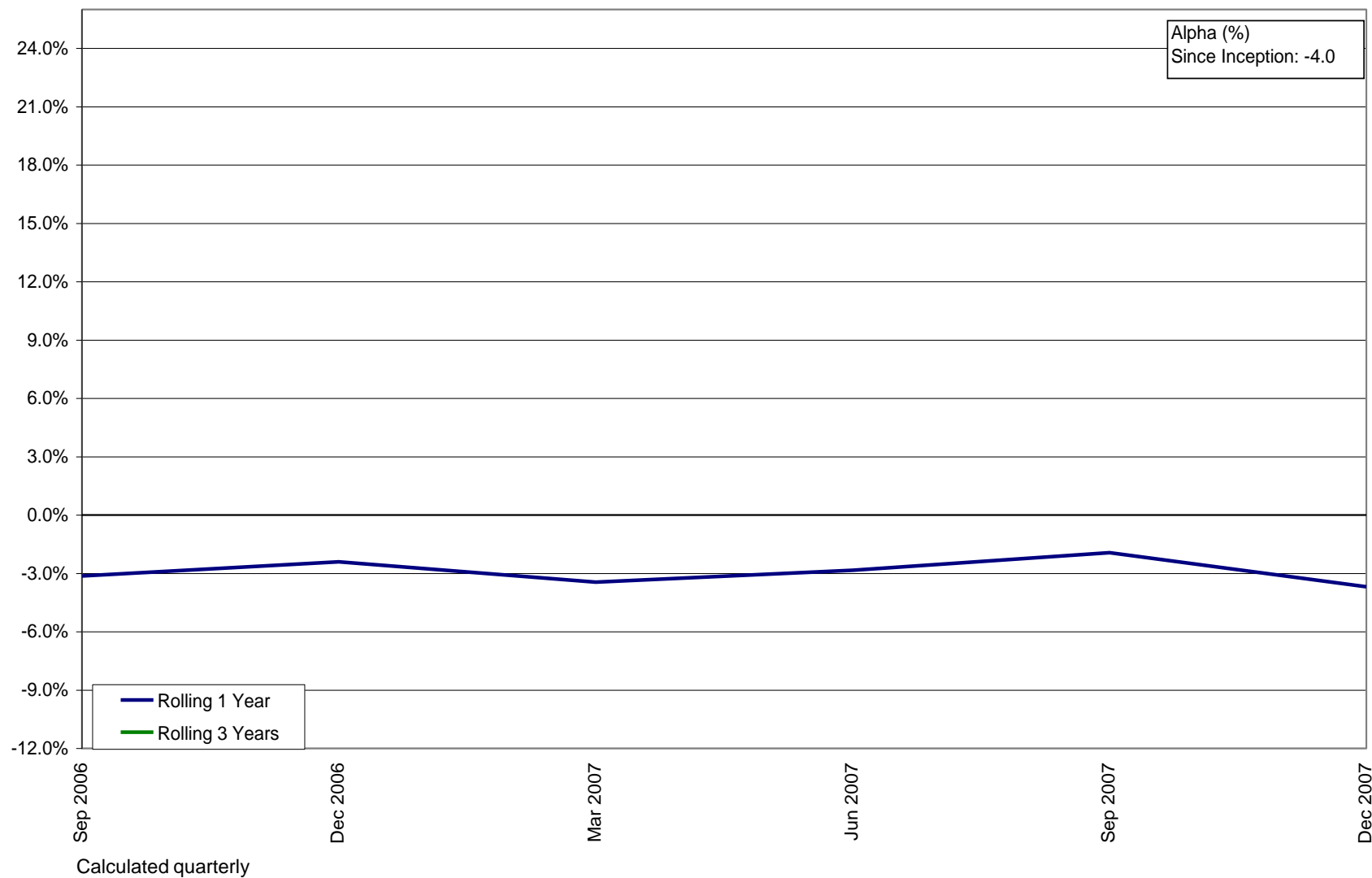
Barclays Global Investors – International Equity – Enhanced Passive		
Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	The primary reason for our high conviction in the Alpha Tilts strategy is BGI's constant emphasis on improving risk-adjusted performance, whether through investigating ways to increase the efficacy of the model's signals or through reducing transactions costs. We also remain impressed with the firm's commitment to research and its ability to attract and retain top investment talent and "thought leaders" in various fields of research. Due to the nature of the investment process, the portfolio possesses a very low risk profile.
Portfolio Construction	++	
Implementation	++	
Business Management	+	
Overall Rating	A	
Rating Date	11/8/2007	The strategy is designed to benefit from the increased liquidity in OTC derivatives.

AXA Rosenberg Qualitative Factors

Factors	Description
People	<ul style="list-style-type: none"> • Stock evaluation and portfolio construction are accomplished through AXA's expert system, as such the firm is not particularly vulnerable to key personnel departures. • Daily interface between investment professionals is integrated globally so that all parties can access information from different regions.
Philosophy	<ul style="list-style-type: none"> • Believe investors can profit by purchasing under priced stocks; a company's fundamentals drive its earnings and the price paid for earnings ultimately drives performance.
Process	<ul style="list-style-type: none"> • Portfolio characteristics are similar to the benchmark, stock selection drives performance. • Through fundamental analysis they identify companies that are inexpensive relative to their peers and that can potentially generate future earnings. • AXA's process combines three models: <i>Valuation Model</i> – Identify most attractively priced stocks in each industry; <i>Earnings Forecast Model</i> –Identify companies with superior year-ahead earnings in each industry; <i>Risk Model</i> - Maximize return with Minimum deviation from the benchmark. • The portfolio will typically hold 600 names, well diversified. • 95% of research is generated internally by the Barr Rosenberg Research Center.

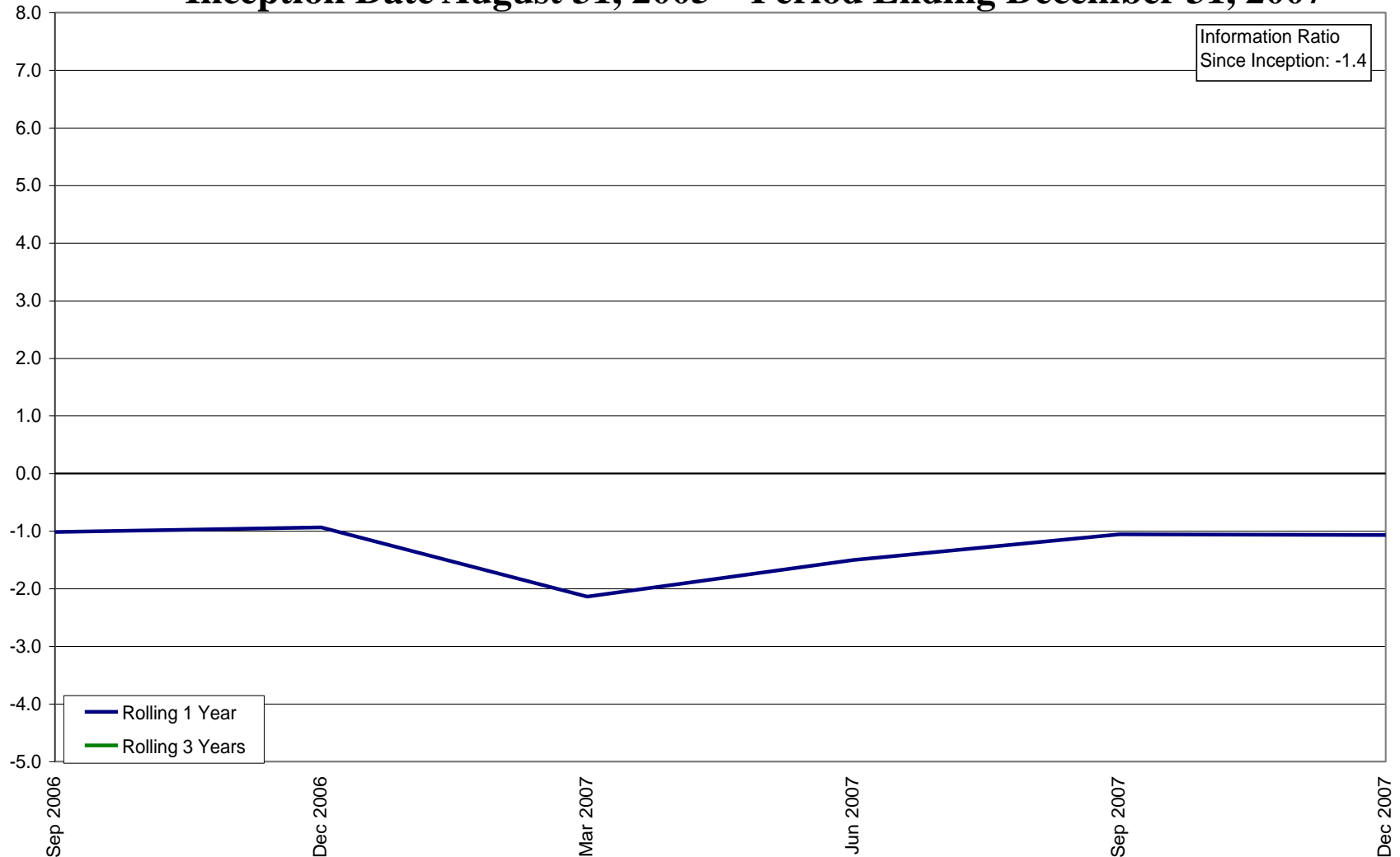
Alpha AXA Rosenberg

Inception Date August 31, 2005 – Period Ending December 31, 2007



Information Ratio AXA Rosenberg

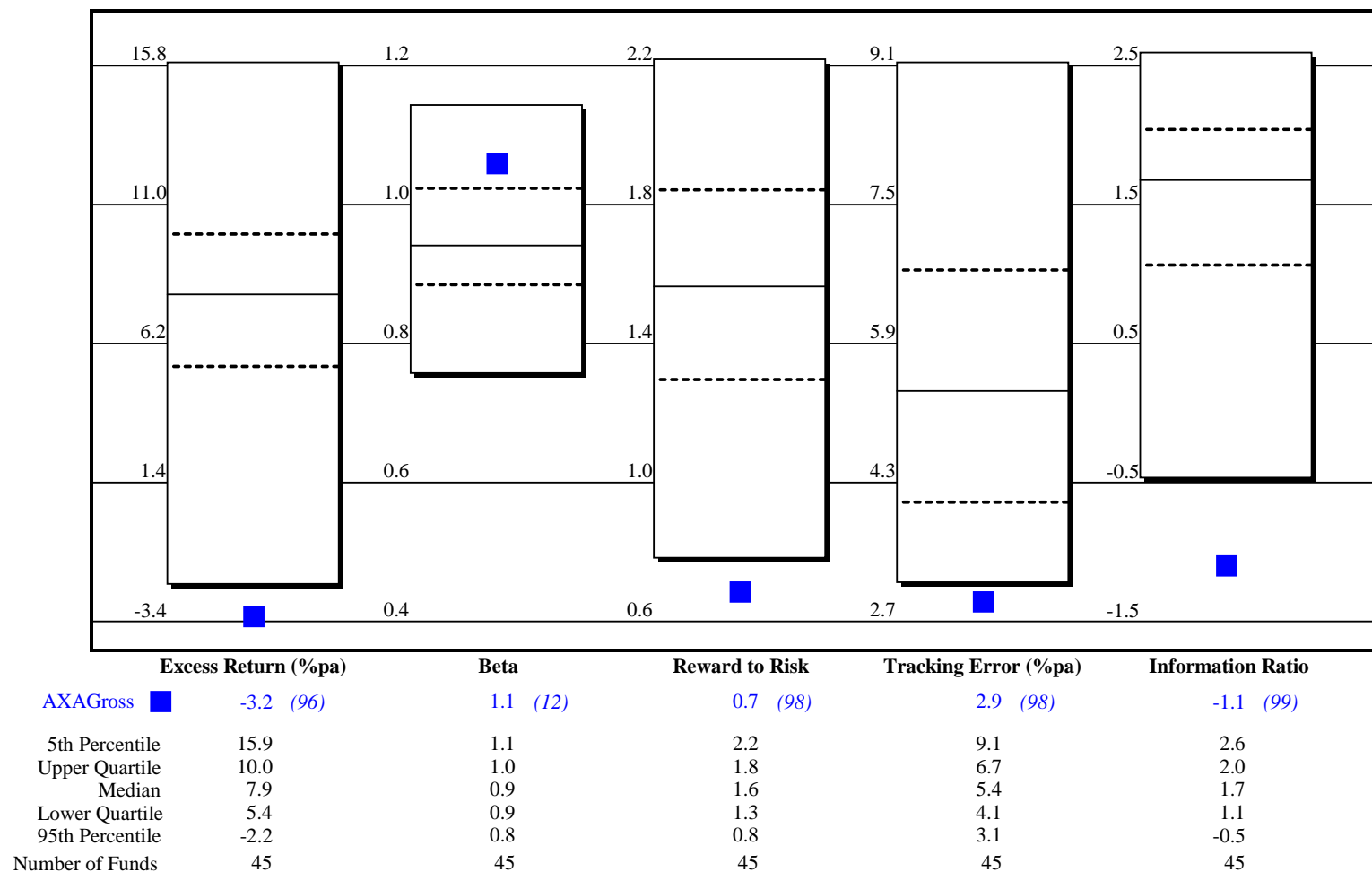
Inception Date August 31, 2005 – Period Ending December 31, 2007



Calculated quarterly

Peer Comparison with the Mercer International Equity Small Cap Universe AXA Rosenberg

Inception Date August 31, 2005 – Period Ending December 31, 2007



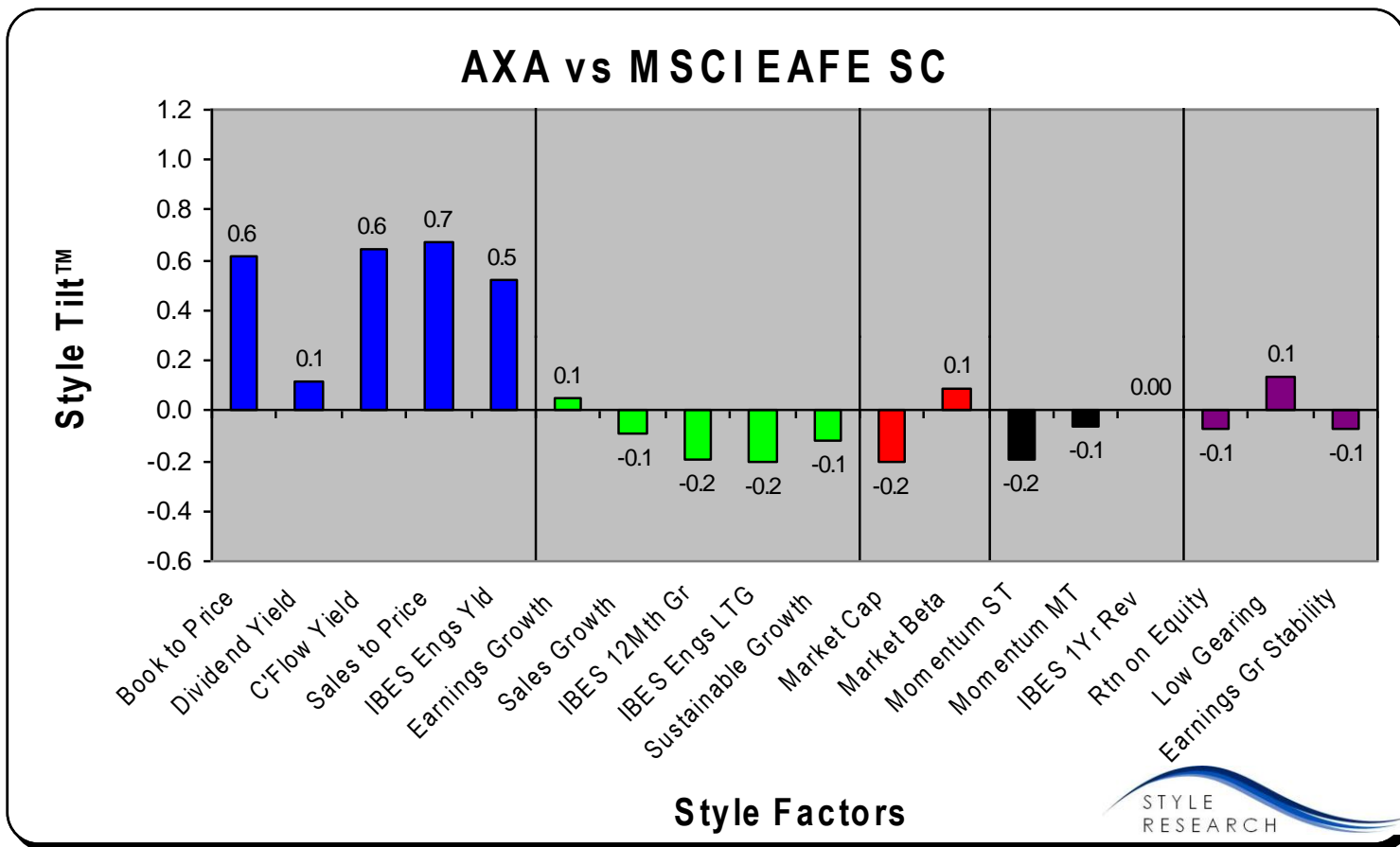
Please note this chart has been calculated using Gross of Fees

Risk and Return characteristics calculated quarterly versus MSCI EAFE Small Cap

Positions: Style Analysis – Portfolio Style Skyline

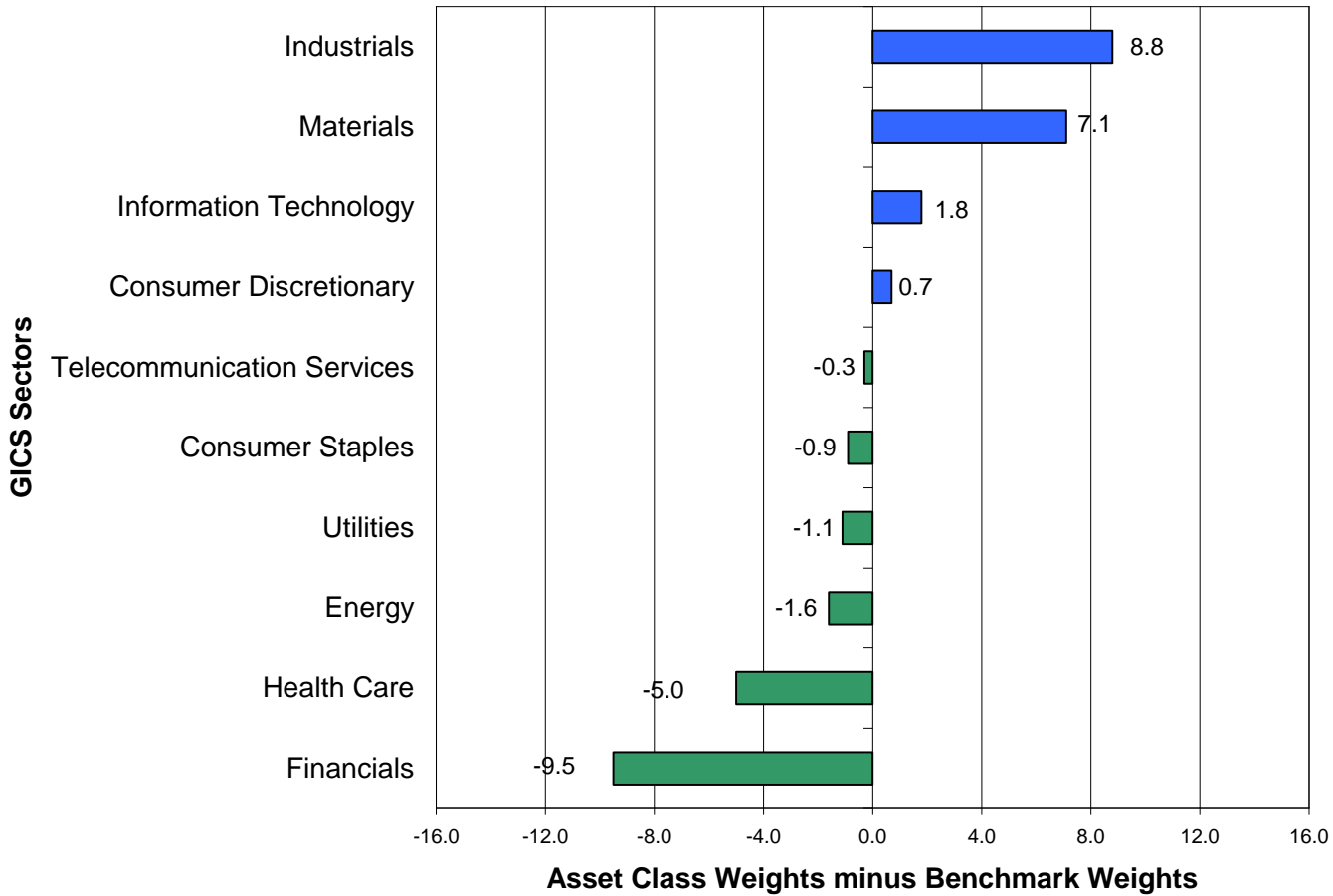
AXA Rosenberg

As of December 31, 2007



Positions: Economic Sectors

AXA Rosenberg
As of December 31, 2007

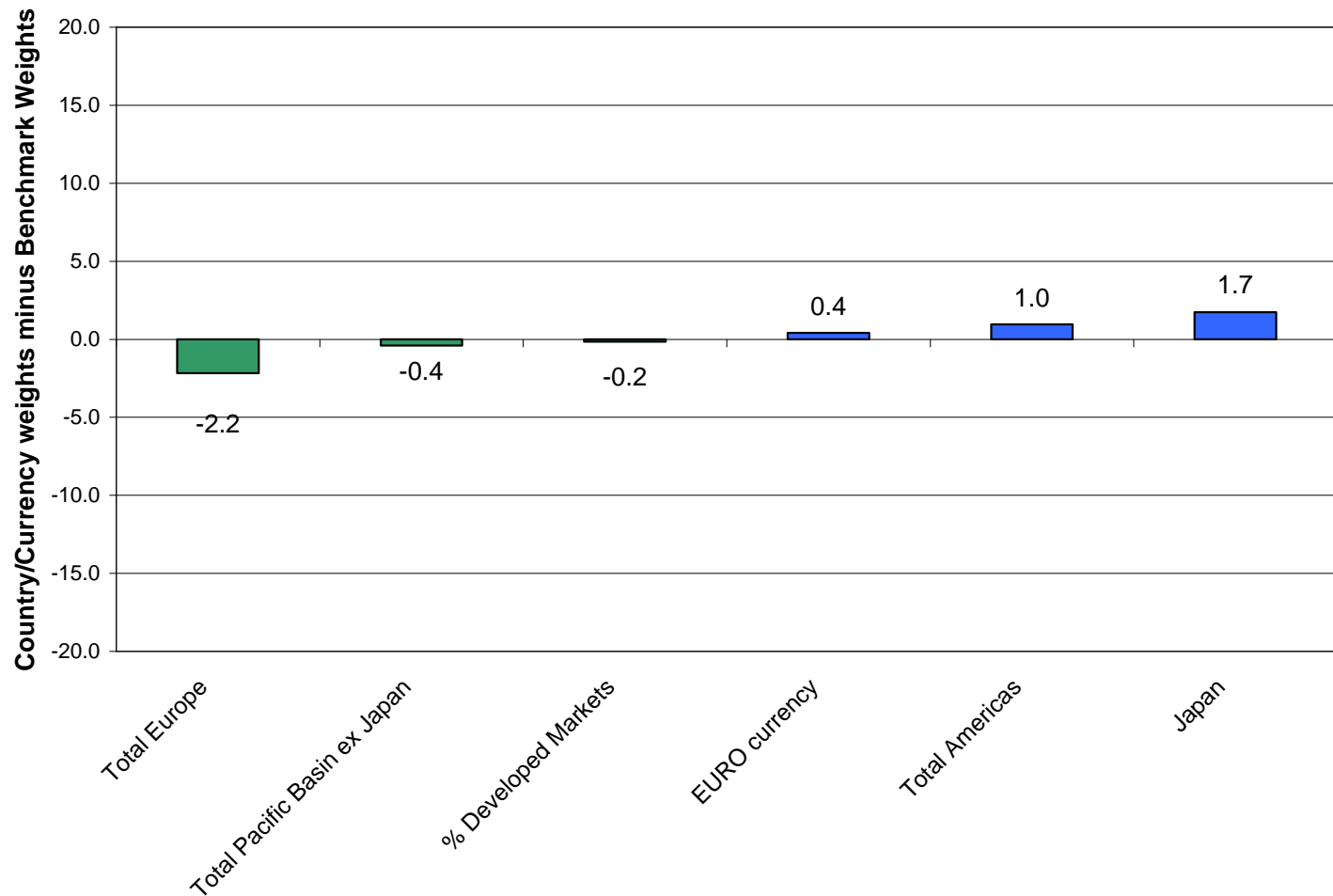


Benchmark weights are the weights of MSCI EAFE Small Cap Index

Positions: Country/Currency Exposure

AXA Rosenberg

As of December 31, 2007



Mercer Manager Review

As of December 31, 2007

AXA Rosenberg – International Equity – Active International Small Cap Equity		
Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	We have a high degree of conviction in AXA Rosenberg's non-US equity strategies. The products are suitable for clients seeking a well-diversified, highly risk-controlled product that has a higher risk budget than enhanced index products. As a result of the firm's investment philosophy and process, the strategy can lag the benchmark in narrow markets, such as when only a few sectors or regions outshine the rest, or in speculative markets because of the model's valuation components. These same characteristics, however, should help the strategy in stable markets or when valuation and earnings quality matter.
Portfolio Construction	++	
Implementation	++	
Business Management	+	
Overall Rating	A	
Rating Date	8/7/2007	

Dimensional Fund Advisors

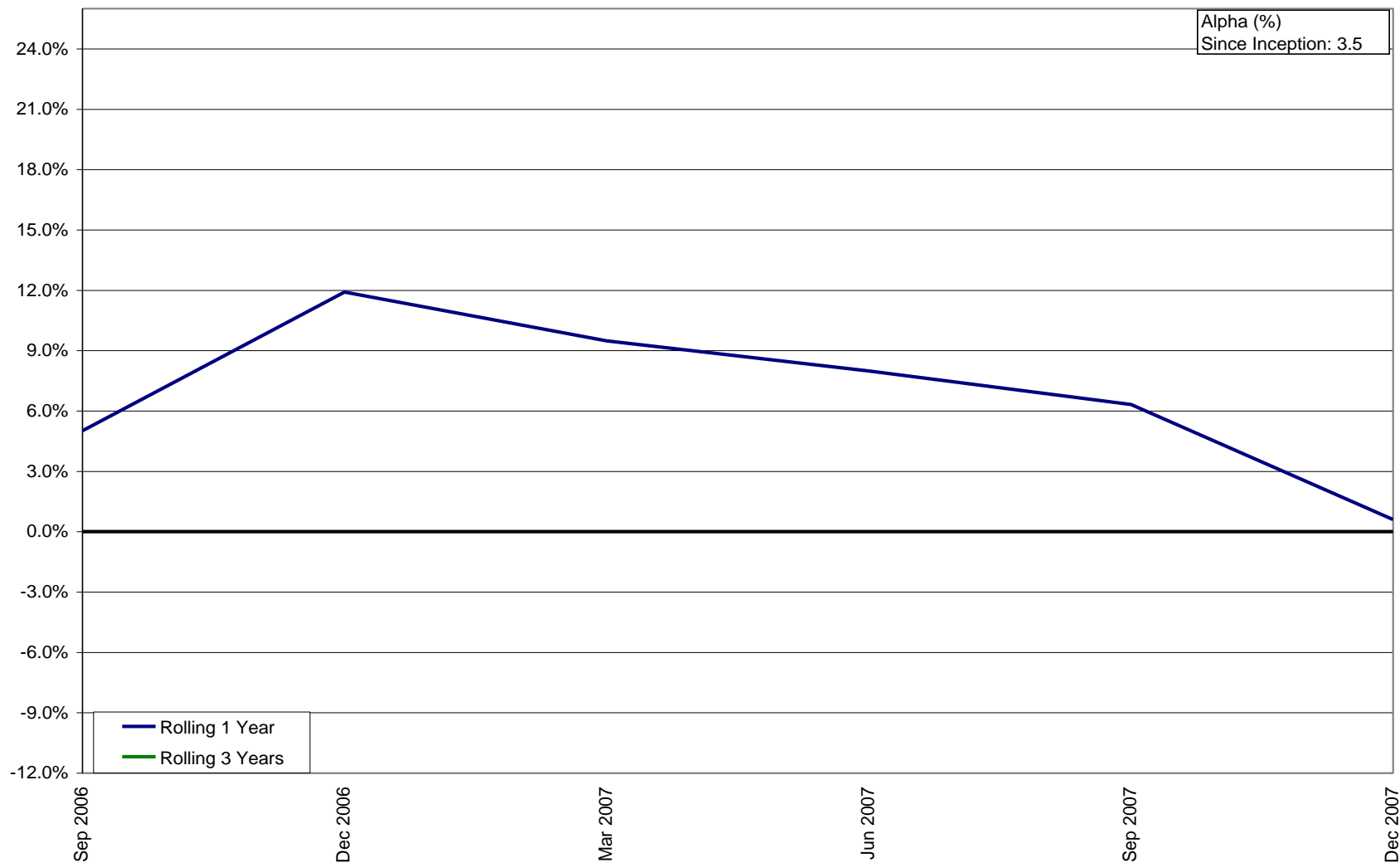
Qualitative Factors

Factors	Description
People	<ul style="list-style-type: none"> • Team approach where no one individual is solely responsible for a strategy or account. • Stable team, low turnover among investment professionals. • Research group plays a critical role in DFA's strategy and execution.
Philosophy	<ul style="list-style-type: none"> • Believe markets work: risk and return are related. Believe greater exposure to three factors: equity exposure, company size, and company price should result in a higher portfolio expected return.
Process	<ul style="list-style-type: none"> • Don't select individual stocks • Eligible securities are those in countries included in the MSCI EAFE Small Index and Canada that are also above \$25 million in market cap. • Eligible securities are identified through screens for market cap (smallest 10-15%), book-to-market (top 30%), eligibility (no regulated utilities, recent IPOs, etc.), trading (buy, hold, sell ranges) on a country-by-country basis. • Also add value through trading. • Portfolio typically holds 1,000 securities, well diversified.

Alpha

Dimensional Fund Advisors

Inception Date August 31, 2005 – Period Ending December 31, 2007

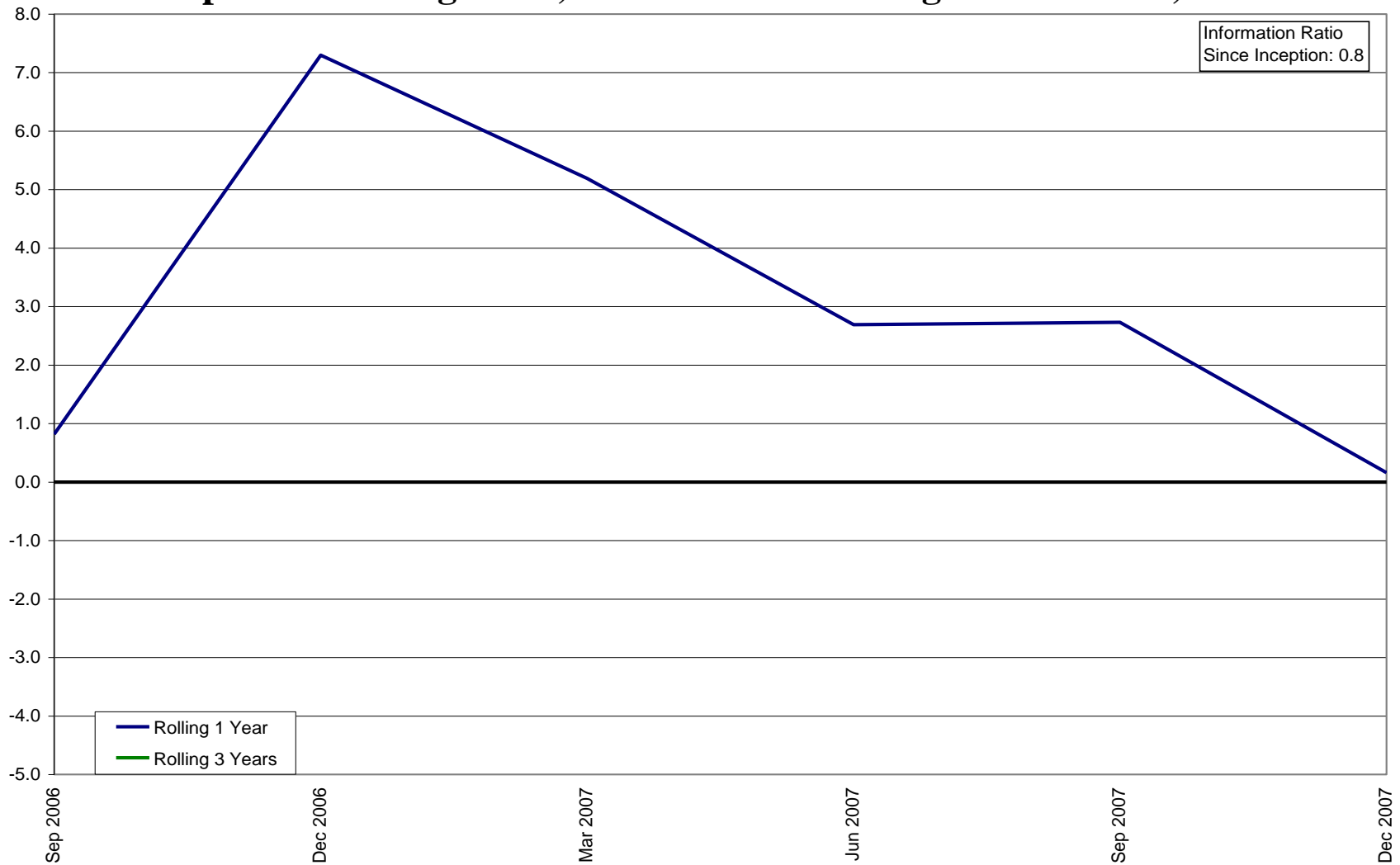


•Calculated quarterly

Information Ratio

Dimensional Fund Advisors

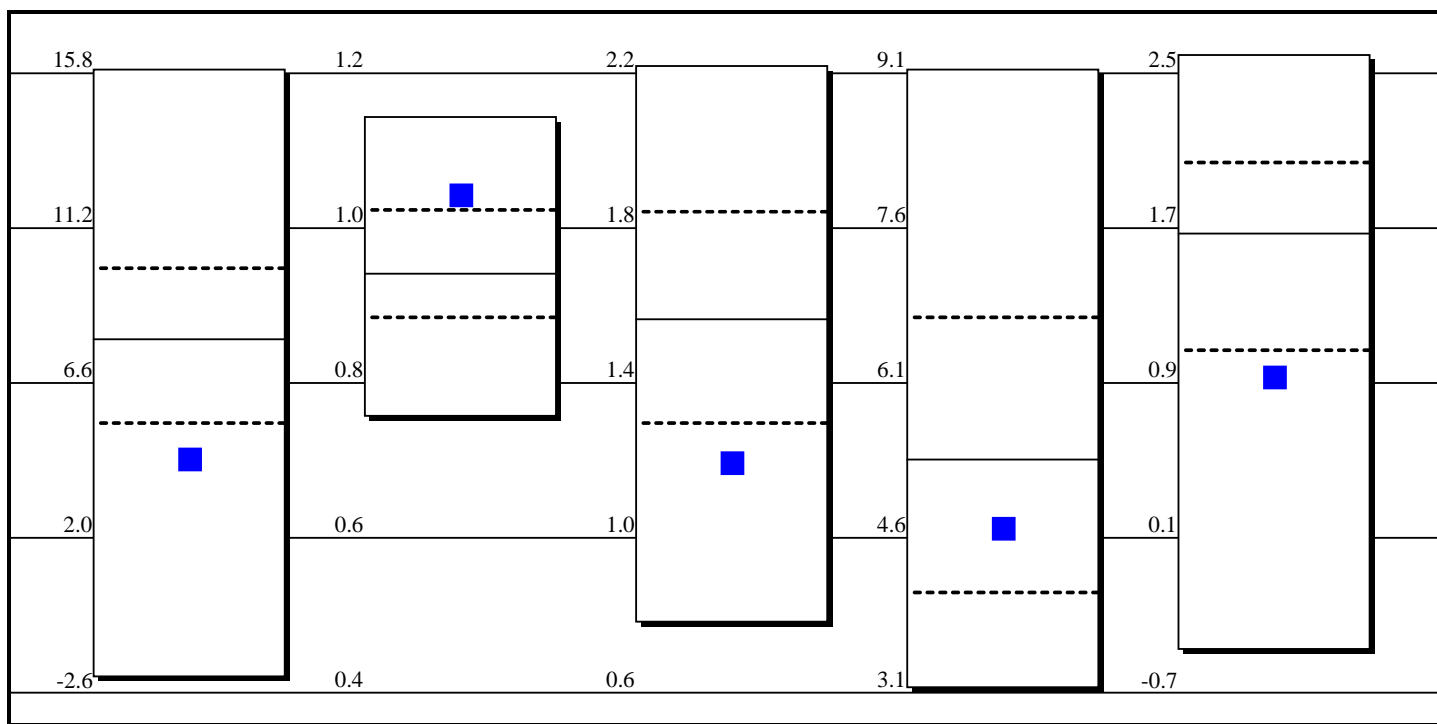
Inception Date August 31, 2005 – Period Ending December 31, 2007



•Calculated quarterly

Peer Comparison with the Mercer International Equity Small Cap Universe Dimensional Fund Advisors

Inception Date August 31, 2005 – Period Ending December 31, 2007



	Excess Return (%pa)	Beta	Reward to Risk	Tracking Error (%pa)	Information Ratio
DFA Gross	4.3 (82)	1.0 (17)	1.2 (81)	4.7 (59)	0.9 (81)
5th Percentile	15.9	1.1	2.2	9.1	2.6
Upper Quartile	10.0	1.0	1.8	6.7	2.0
Median	7.9	0.9	1.6	5.4	1.7
Lower Quartile	5.4	0.9	1.3	4.1	1.1
95th Percentile	-2.2	0.8	0.8	3.1	-0.5
Number of Funds	45	45	45	45	45

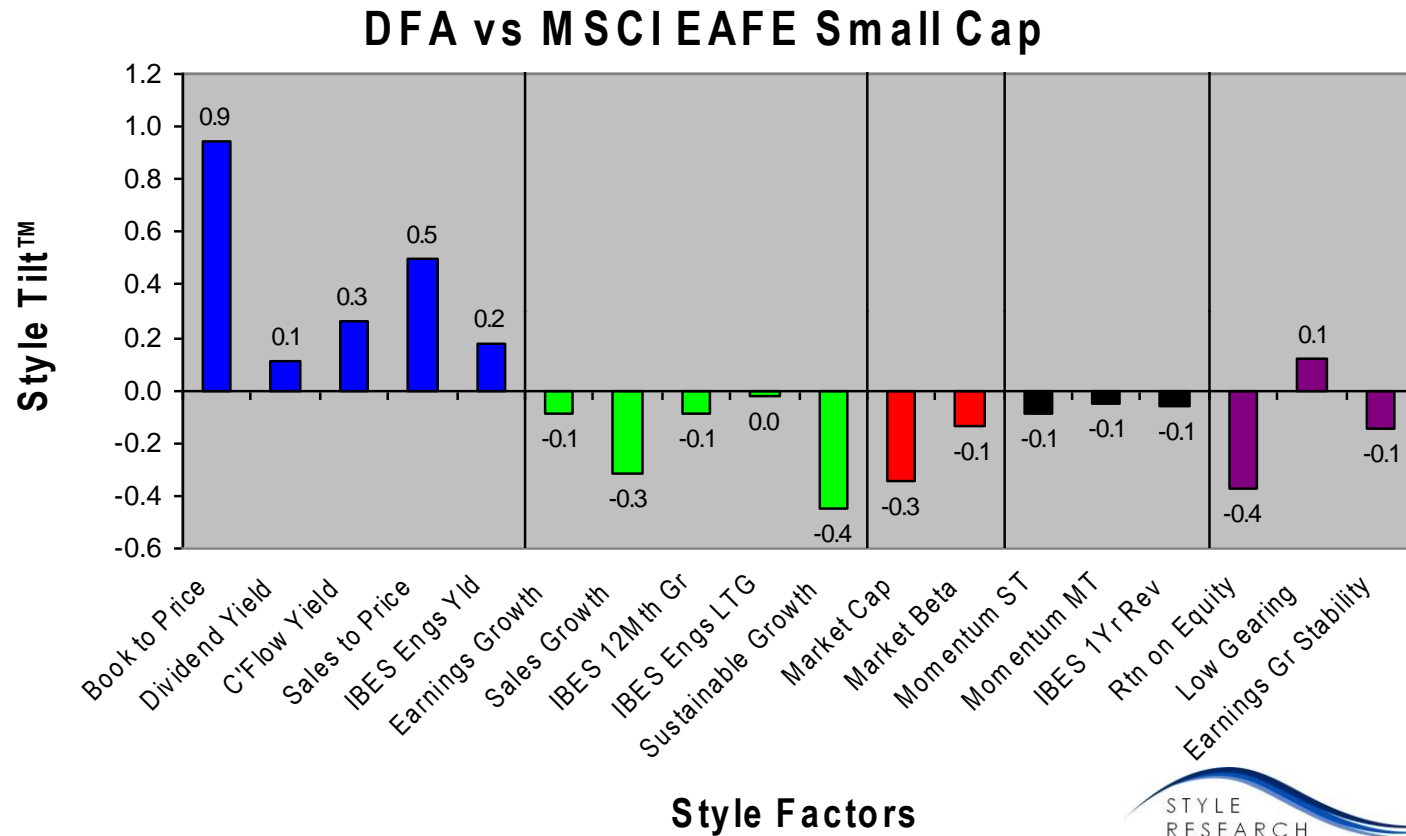
Please note this chart has been calculated using Gross of Fees

Risk and Return characteristics calculated quarterly versus MSCI EAFE Small Cap

Positions: Style Analysis – Portfolio Style Skyline

Dimensional Fund Advisors

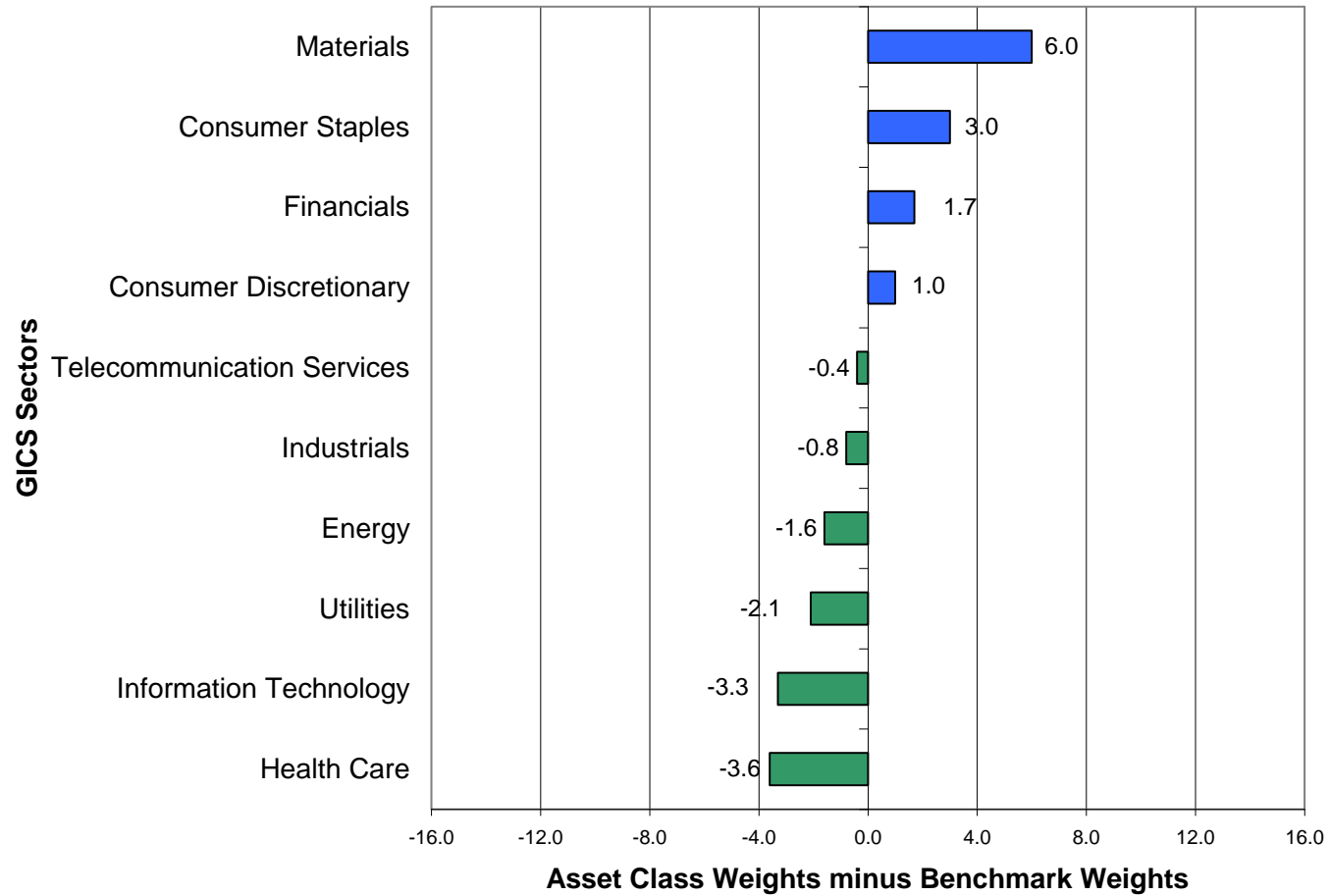
As of December 31, 2007



Positions: Economic Sectors

Dimensional Fund Advisors

As of December 31, 2007

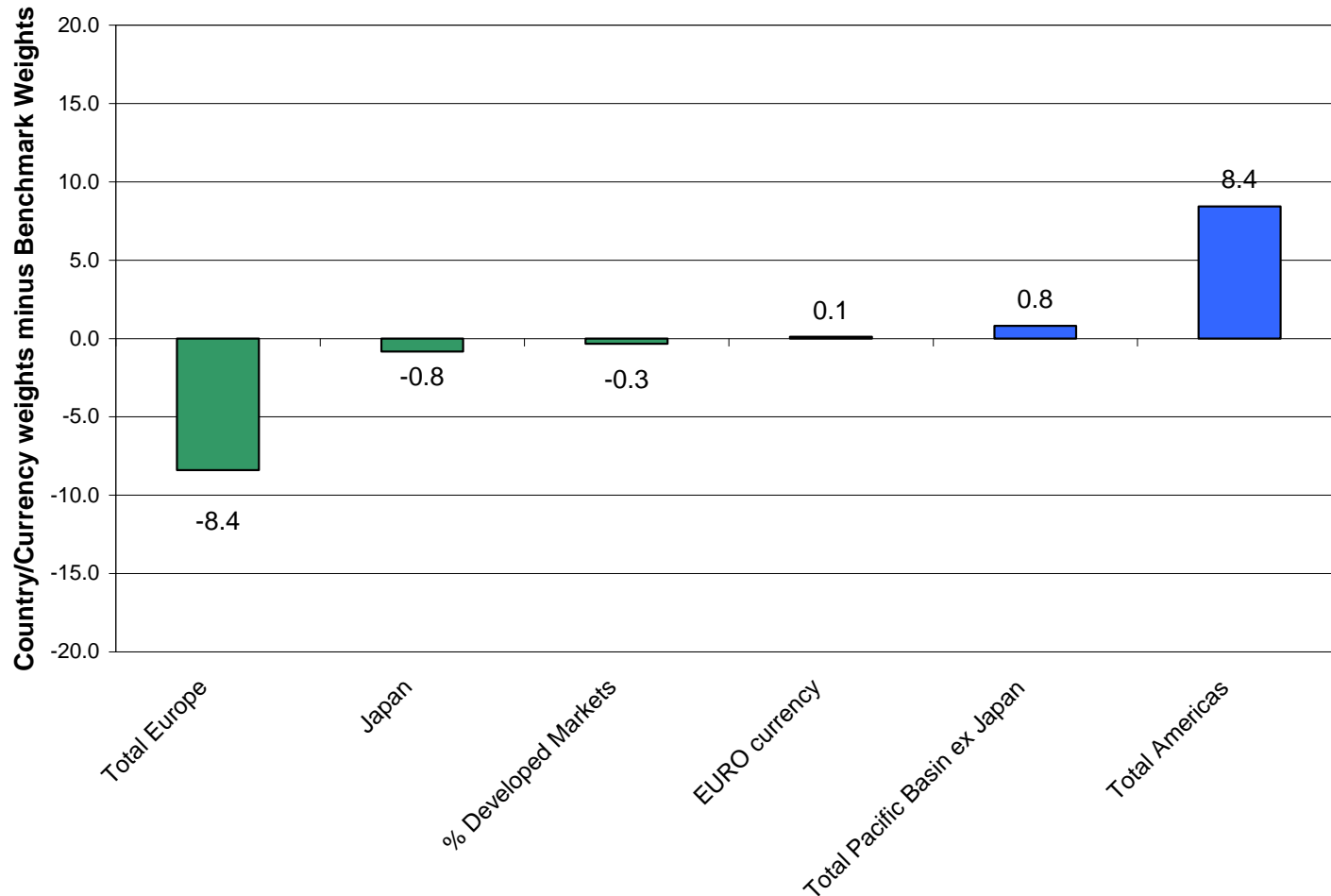


Benchmark weights are the weights of MSCI EAFE Small Cap Index

Positions: Country/Currency Exposure

Dimensional Fund Advisors

As of December 31, 2007



Mercer Manager Review

As of December 31, 2007

Dimensional Fund Advisors (DFA) – International Equity – Active International Small Cap Equity		
Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	<p>The beliefs underpinning DFA's approach are robust, and the investment process is well designed and consistently applied. The use of both committees and individuals to manage portfolios creates a direct linkage between research and portfolio management and helps ensure that the firm's best thinking is quickly reflected in its strategies. The firm's trading skills are strong and DFA is committed to remaining at the forefront in this area. While our enthusiasm is tempered by concerns over the volume of assets DFA invests in small cap markets, we believe that these products are an effective means for clients with a long-term investment horizon to gain exposure to the size and value premiums.</p> <p>Value portfolios display a strong bias to value factors and a tilt to the lower end of the size spectrum, even within the small cap universe. Core portfolios display a moderate tilt to value linked to the small size bias. The asset base is large and there is considerable liquidity risk attached to this strategy. Deviations from conventional benchmarks at the market and sector level are pronounced and tracking error can be high, especially in periods when growth stocks and momentum are driving the market.</p>
Portfolio Construction	+	
Implementation	=	
Business Management	+	
Overall Rating	A-	
Rating Date	8/7/2007	

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- The value of Gilts, bonds, and other fixed income investments including unit trusts can go down as well as up and you may not get back the amount you have invested.*
- Investments denominated in a foreign currency will fluctuate with the value of the currency.*
- The value of investments in real property can go down as well as up, and you may not get back the amount you have invested. Valuation is generally a matter of a valuer's opinion, rather than fact. It may be difficult or impossible to realise an investment because the property concerned may not be readily saleable.*
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